

APPENDIX C

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Office of the Secretary**1991 Cost-of-Living Increase and Other Determinations**

AGENCY: Social Security Administration, HHS.

ACTION: Notice.

SUMMARY: The Secretary has determined—

(1) A 5.4 percent cost-of-living increase in benefits under title II, effective for December 1990 (the Old-Age, Survivors, and Disability Insurance (OASDI) fund ratio, determined to be 74.7 percent for 1990, does not affect this cost-of-living increase);

(2) An increase in the Federal Supplemental Security Income (SSI) (title XVI) monthly benefit amounts for 1991 to \$407 for an eligible individual, \$610 for an eligible individual with an eligible spouse, and \$204 for an essential person;

(3) The average of the total wages for 1989 to be \$20,099.55;

(4) The amount of earnings a person must have to be credited with a quarter of coverage in 1991 to be \$540;

(5) The monthly exempt amounts under the Social Security retirement earnings test for taxable years ending in calendar year 1991 to be \$810 for beneficiaries age 65 through 69 and \$590 for beneficiaries under age 65;

(6) The "bend points" used in the benefit formula for workers who become eligible for benefits in 1991 and in the formula for computing maximum family benefits;

(7) The deemed average wages total for 1989 to be \$20,486.23;

(8) The Social Security contribution and benefit base to be \$53,400 for

remuneration paid in 1991 and self-employment income earned in taxable years beginning in 1991; and

(9) The "old-law" contribution and benefit base to be \$39,600 for 1991.

FOR FURTHER INFORMATION CONTACT: Jeffrey L. Kunkel, Office of the Actuary, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (301) 965-3013.

SUPPLEMENTARY INFORMATION: The Secretary is required by the Social Security Act (the Act) to publish within 45 days after the close of the third calendar quarter of 1990 the benefit increase percentage and the revised table of "special minimum" benefits (section 215(i)(2)(D)). Also, the Secretary is required to publish before November 1 the average of the total wages for 1989 (section 215(i)(2)(C)(ii)) and the OASDI fund ratio for 1990 (section 215(i)(2)(C)(i)). Finally, the Secretary is required to publish on or before November 1 the contribution and benefit base for 1991 (section 230(a)), the amount of earnings required to be credited with a quarter of coverage in 1991 (section 213(d)(2)), the monthly exempt amounts under the Social Security retirement earnings test for 1991 (section 203(f)(8)(A)), the formula for computing a primary insurance amount for workers who first become eligible for benefits or die in 1991 (section 215(a)(1)(D)), and the formula for computing the maximum amount of benefits payable to the family of a worker who first becomes eligible for old-age benefits or dies in 1991 (section 203(a)(2)(C)).

OASDI Fund Ratio

General. Section 215(i) of the Act provides for automatic cost-of-living increases in OASDI benefit amounts. This section also includes a "stabilizer" provision that can limit the automatic OASDI benefit increase under certain circumstances. If the combined assets of

the OASI and DI Trust Funds, as a percentage of annual expenditures, are below a specified threshold, the automatic benefit increase is equal to the lesser of (1) the increase in average wages or (2) the increase in prices. The threshold specified for the OASDI fund ratio is 20.0 percent for benefit increases for December of 1989 and later. The amendments also provide for subsequent "catch-up" benefit increases for beneficiaries whose previous benefit increases were affected by this provision. "Catch-up" benefit increases can occur only when trust fund assets exceed 32.0 percent of annual expenditures.

Computation. Section 215(i) specifies the computation and application of the OASDI fund ratio. The OASDI fund ratio for 1990 is the ratio of (1) the combined assets of the OASI and DI Trust Funds at the beginning of 1990, including advance tax transfers for January 1990, to (2) the estimated expenditures of the OASI and DI Trust Funds during 1990, excluding transfer payments between the OASI and DI Trust Funds, and reducing any transfers to the Railroad Retirement Account by any transfers from that account into either trust fund.

Ratio. The combined assets of the OASDI and DI Trust Funds at the beginning of 1990 (including advance tax transfers for January 1990) equaled \$188,864 million, and the expenditures are estimated to be \$252,906 million. Thus, the OASDI fund ratio for 1990 is 74.7 percent, which exceeds the applicable threshold of 20.0 percent. Therefore, the stabilizer provision does not affect the benefit increase for December 1990. Although the OASDI fund ratio exceeds the 32.0-percent threshold for potential "catch-up" benefit increases, no past benefit increase has been reduced under the stabilizer provision. Thus, no "catch-up" benefit increase is required.

Cost-of-Living Increases

General. The cost-of-living increase is 5.4 percent for benefits under titles II and XVI of the Act.

Under title II, old-age, survivors, and disability insurance benefits will increase by 5.4 percent beginning with the December 1990 benefits, which are payable on January 3, 1991. This increase is unaffected by the stabilizer provision, as described above. This increase is based on the authority contained in section 215(i) of the Act (42 U.S.C. 415(i)).

Under title XVI, Federal SSI payment levels will also increase by 5.4 percent effective for payments made for this month of January 1991 but paid on December 31, 1990. This is based on the authority contained in section 1617 of the Act (42 U.S.C. 1382f). The percentage increase effective January 1991 is the same as the title II benefit increase and the annual payment amount is rounded, when not a multiple of \$12, to the next lower multiple of \$12. (The stabilizer provision does not affect SSI payment levels.)

Automatic Benefit Increase Computation. Under section 215(j) of the Act, the third calendar quarter of 1990 is a cost-of-living computation quarter for all the purposes of the Act. The Secretary is, therefore, required to increase benefits, effective with December 1990, for individuals entitled under section 227 or 228 of the Act, to increase primary insurance amounts of all other individuals entitled under title II of the Act, and to increase maximum benefits payable to a family. For December 1990, the benefit increase is the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers from the third quarter of 1989 through the third quarter of 1990. The December 1990 benefit increases is not affected by the stabilizer provision because the OASDI fund ratio for 1990 exceeds the 20.0 percent threshold fixed by statute.

Section 215(i)(1) of the Act provides that the Consumer Price Index for a cost-of-living computation quarter shall be the arithmetic mean of this index for the 3 months in that quarter. The Department of Labor's Consumer Price Index for Urban Wage Earners and Clerical Workers for each month in the

quarter ending September 30, 1989, was: for July 1989, 123.2; for August 1989, 123.2; and for September 1989, 123.6. The arithmetic mean for this calendar quarter is 123.3 (after rounding to the nearest 0.1). The corresponding Consumer Price Index for each month in the quarter ending September 30, 1990 was: For July 1990, 128.7; for August 1990, 129.9; and for September 1990, 131.1. The arithmetic mean for this calendar quarter is 129.9. Thus, because the Consumer Price Index for the calendar quarter ending September 30, 1990, exceeds that for the calendar quarter ending September 30, 1989 by 5.4 percent, a cost-of-living benefit increase of 5.4 percent is effective for benefits under title II of the Act beginning December 1990.

Title II Benefit Amounts. In accordance with section 215(i) of the Act, in the case of insured workers and family members for whom eligibility for benefits (i.e., the worker's attainment of age 62, or disability or death before age 62) occurred before 1991, benefits will increase by 5.4 percent beginning with benefits for December 1990 which are payable on January 3, 1991. In the case of first eligibility after 1990, the 5.4 percent increase will not apply.

For eligibility after 1978, benefits are generally determined by a benefit formula provided by the Social Security Amendments of 1977 (Pub. L. 95-216), as described later in this notice.

For eligibility before 1979, benefits are determined by means of a benefit table. In accordance with section 215(i)(4) of the Act, the primary insurance amounts and the maximum family benefits shown in this table are revised by (1) increasingly by 5.4 percent the corresponding amounts established by the last cost-of-living increase and the last extension of the benefit table made under section 215(i)(4) (to reflect the increase in the contribution and benefit base for 1990); and (2) by extending the table to reflect the higher monthly wage and related benefit amounts now possible under the increased contribution and benefit base for 1991, as described later in this notice. A copy

of this table may be obtained by writing to: Social Security Administration, Office of Public Affairs, Office of Public Inquiries, 4100 Annex, Baltimore, MD 21235.

Section 215(i)(2)(D) of the Act also requires that, when the Secretary determines an automatic increase in Social Security benefits the Secretary shall publish in the **Federal Register** a revision of the range of the primary insurance amounts and corresponding maximum family benefits based on the dollar amount and other provisions described in section 215(a)(1)(C)(i). These benefits are referred to as "special minimum" benefits and are payable to certain individuals with long periods of relatively low earnings. In accordance with section 215(a)(1)(C)(i), the table below shows the revised range of primary insurance amounts and corresponding maximum family benefit amounts after the 5.4 percent benefit increase.

SPECIAL MINIMUM PRIMARY INSURANCE AMOUNTS AND MAXIMUM FAMILY BENEFITS

Special minimum primary insurance amount payable for December 1989	Number of years required at minimum earnings level	Special minimum primary insurance amount payable for December 1990	Special minimum family benefit payable for December 1990
\$21.90	11	\$23.00	\$34.70
43.60	12	45.90	69.20
65.60	13	69.10	104.00
87.40	14	92.10	138.30
109.30	15	115.20	172.80
131.20	16	138.20	207.80
153.10	17	161.30	242.30
175.00	18	184.40	276.80
196.90	19	207.50	311.40
218.60	20	230.40	345.90
240.80	21	253.80	380.80
262.50	22	276.60	415.20
284.60	23	299.90	450.30
306.40	24	322.90	484.80
328.20	25	345.90	519.00
350.30	26	369.20	554.20
372.20	27	392.20	588.70
393.20	28	415.10	623.10
415.70	29	438.10	657.90
437.60	30	461.20	692.20

Section 227 of the Act provides flat-rate benefits to a worker who became age 72 before 1969 and was not insured under the usual requirements, and to his or her spouse or surviving spouse. Section 228 of the Act provides similar benefits at age 72 for certain uninsured persons. The current monthly benefit amount of \$159.00 for an individual under sections 227 and 228 of the Act is increased by 5.4 percent to obtain the new amount of \$167.50. The present monthly benefit amount of \$79.60 for a spouse under section 227 is increased by 5.4 percent to \$83.80.

Title XVI Benefit Amounts. In accordance with section 1617 of the Act, Federal SSI benefit amounts for the aged, blind, and disabled are increased by 5.4 percent effective January 1991. Therefore, the yearly Federal SSI benefit amounts of \$4,632 for an eligible individual, \$6,948 for an eligible individual with an eligible spouse, and \$2,316 for an essential person, which became effective January 1990, are increased, effective January 1991, to \$4,884, \$7,320, and \$2,448, respectively, after rounding. The corresponding monthly amounts for 1991 are determined by dividing the yearly amounts by 12, giving \$407, \$610, and \$204, respectively. The monthly amount is reduced by subtracting monthly countable income. In the case of an eligible individual with an eligible spouse, the amount payable is further divided equally between the two spouses.

Averages of the Total Wages for 1989

General. Under provisions of the Act, several amounts are scheduled to increase automatically for 1991. These include (i) the contribution and benefit base, (ii) the "old law" contribution and benefit base (as determined under section 230 of the Act as in effect before the 1977 amendments), (iii) the amount of earnings required for a worker to be credited with a quarter of coverage, (iv) the retirement test exempt amounts, and (v) the "bend points" in the PIA and maximum family benefit formulas.

Normally, all of these amounts are based on the increase in the average of the total wages.

However, section 10208 of Pub. L. 101-239 (the Omnibus Budget Reconciliation Act of 1989) requires that the contribution and benefits base and the "old law" contribution and benefit base be determined under a "transitional rule" using deemed average wage amounts. The deemed average wages and the resulting bases are determined later in this notice.

The determination of the average wage figure for 1989 is based on the 1988 average wage figure of \$19,334.04 announced in the **Federal Register** on October 31, 1989 (54 FR 45801), along with the percentage increase in average wages from 1988 to 1989 measured by annual wage data tabulated by the Social Security Administration (SSA). The average amounts of wages calculated directly from this data were \$18,274.38 and \$18,997.93 for 1988 and 1989, respectively. To determine an average wage figure for 1989 at a level that is consistent with the series of average wages for 1951 through 1977 (published December 29, 1978, at 43 FR 61016), we multiplied the 1988 average wage figure of \$19,334.04 by the percentage increase in average wages from 1988 to 1989 (based on SSA-tabulated wage data) as follows (with the result rounded to the nearest cent):

Average wage for 1989 = $\$19,334.04 \times \$18,997.93 \div \$18,274.38 = \$20,099.55$. Therefore, the average wage for 1989 is determined to be \$20,099.55.

Quarter of Coverage Amount

General. The 1991 amount of earnings required for a quarter of coverage is \$540. A quarter of coverage is the basic unit for determining whether a worker is insured under the Social Security program. For years before 1978, an individual generally was credited with a quarter of coverage for each quarter in which wages of \$50 or more were paid, or an individual was credited with 4 quarters of coverage for every taxable

year in which \$400 or more of self-employment income was earned. Beginning in 1978, wages generally are no longer reported on a quarterly basis; instead, annual reports are made. With the change to annual reporting, section 352(b) of the Social Security Amendments of 1977 (Pub. L. 95-216) amended section 213(d) of the Act to provide that a quarter of coverage would be credited for each \$250 of an individual's total wages and self-employment income for calendar year 1978 (up to maximum of 4 quarters of coverage for the year).

Computation. Under the prescribed formula, the quarter of coverage amount for 1991 shall be equal to the 1978 amount of \$250 multiplied by the ratio of (1) the average amount, per employee, of total wages for calendar year 1989 to (2) the average amount of those wages reported for calendar year 1976. The section further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Average Wages. The average wage for calendar year 1976 was previously determined to be \$9,226.48. This was published in the *Federal Register* on December 29, 1978, at 43 FR 61016. The average wage for calendar year 1989 has been determined to be \$20,099.55 as stated above.

Quarter of Coverage Amount. The ratio of the average wage for 1989, \$20,099.55, compared to that for 1976, \$9,226.48, is 2.1784635. Multiplying the 1978 quarter of coverage amount of \$250 by the ratio of 2.1784635 produces the amount of \$544.62, which must then be rounded to \$540. Accordingly, the quarter of coverage amount is determined to be \$540 for 1991.

Retirement Earnings Test Exempt Amounts

(a) *Beneficiaries Aged 70 or Over.* Beginning with months after December 1982, there is no limit on the amount an individual aged 70 or over may earn and still receive Social Security benefits.

(b) *Beneficiaries Aged 65 through 69.* The retirement earnings test monthly exempt amount for beneficiaries aged 65 through 69 is stated in the Act of section 203(f)(8)(D) for years 1978 through 1982. A formula is provided in section 203(f)(8)(B) for computing the exempt amount applicable for years after 1982.

The monthly exempt amount for 1990 was determined by this formula to be \$780. Under the formula, the exempt amount for 1991 shall be the 1990 exempt amount multiplied by the ratio of (1) the average amount, per employee, of the total wages for calendar year 1989 to (2) the average amount of those wages for calendar year 1988. The section further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Average Wages. The average wage for 1989, as determined above, is \$20,099.55. Therefore, the ratio of the average wages for 1989, \$20,099.55, compared to that for 1988, \$19,334.04, is 1.0395939.

Exempt Amount for Beneficiaries Aged 65 through 69. Multiplying the 1990 retirement earnings test monthly exempt amount of \$780 by the ratio of 1.0395939 produces the amount of \$810.88. This must then be rounded to \$810. The retirement earnings test monthly exempt amount for beneficiaries aged 65 through 69 is determined to be \$810 for 1991. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$9,720.

(c) *Beneficiaries Under Age 65.* Section 203 of the Act provides that beneficiaries under age 65 have a lower retirement earnings test monthly exempt amount than those beneficiaries aged 65 through 69. The exempt amount for beneficiaries under age 65 is determined by a formula provided in section 203(f)(8)(B) of the Act. Under the formula, the monthly exempt amount for beneficiaries under age 65 is \$570 for 1990. The formula provides that the exempt amount for 1991 shall be the 1990 exempt amount for beneficiaries under age 65 multiplied by the ratio of (1) the average amount, per employee, of the total wages for calendar year 1989 to (2) the average amount of those wages for calendar year 1988. The section further provides that if the amount so determined is not a multiple of \$10, it shall be rounded to the nearest multiple of \$10.

Average Wages. The average wage for 1989, as determined above, is \$20,099.55. Therefore, the ratio of the average wages for 1989, \$20,099.55, compared to that of 1988, \$19,334.04, is 1.0395939.

Exempt Amount for Beneficiaries Under Age 65. Multiplying the 1990 retirement earnings test monthly exempt amount of \$570 by the ratio 1.03955939 produces the amount of \$592.57. This must then be rounded to \$590. The retirement earnings test monthly exempt amount for beneficiaries under age 65 is thus determined to be \$590 for 1991. The corresponding retirement earnings test annual exempt amount for these beneficiaries is \$7,080.

Computing Benefits After 1978

General. The Social Security Amendments of 1977 provided a new method for determining an individual's primary insurance amount. This method uses a formula based on "wage indexing" and was fully explained with interim regulations and final regulations published in the **Federal Register** on December 29, 1978, at 43 FR 60877 and July 15, 1982, at 47 FR 30731 respectively. It generally applies when a worker after 1978 attains age 62, becomes disabled, or dies before age 62. The formula uses the worker's earnings after they have been adjusted, or "indexed," in proportion to the increase in average wages of all workers. Using this method, we determine the worker's "average indexed monthly earnings." We then compute the primary insurance amount, using the worker's average indexed monthly earnings. The computation formula is adjusted automatically each year to reflect changes in general wage levels.

Average Indexed Monthly Earnings. To assure that a worker's future benefits reflect the general rise in the standard of living that occurs during his or her working lifetime, we adjust or "index" the worker's past earnings to take into account the change in general wage levels that has occurred during the worker's years of employment. These adjusted earnings are then used to compute the worker's primary insurance amount.

For example, to compute the average indexed monthly earnings for a worker attaining age 62, becoming disabled, or dying before attaining age 62, in 1991, we divide the average of the total wages

for 1989, \$20,099.55, by the average of the total wages for each year prior to 1989 in which the worker had earnings. We then multiply the actual wages and self-employment income as defined in section 211(b) of the Act credited for each year by the corresponding ratio to obtain the worker's adjusted earnings for each year. After determining the number of years we must use to compute the primary insurance amount, we pick those years with highest indexed earnings, total those indexed earnings and divide by the total number of months in those years. This figure is rounded down to the next lower dollar amount, and becomes the average indexed monthly earnings figure to be used in computing the worker's primary insurance amount for 1991.

Computing the Primary Insurance Amount. The primary insurance amount is the sum of three separate percentages of portions of the average indexed monthly earnings. In 1979 (the first year the formula was in effect), these portions were the first \$180, the amount between \$180 and \$1,085, and the amount over \$1,085. The dollar amounts in the formula which govern the portions of the average indexed monthly earnings are frequently referred to as the "bend points" of the formula. Thus, the bend points for 1979 were \$180 and \$1,085.

The bend points for 1991 are obtained by multiplying the corresponding 1979 bend-point amounts by the ratio between the average of the total wages for 1989, \$20,099.55, and for 1977, \$9,779.44. These results are then rounded to the nearest dollar. For 1991, the ratio is 2.0552864. Multiplying the 1979 amounts of \$180 and \$1,085 by 2.0552864 produces the amounts of \$369.95 and \$2,225.99. These must then be rounded to \$370 and \$2,230. Accordingly, the portions of the average indexed monthly earnings to be used in 1991 are determined to be the first \$370, the amount between \$370 and \$2,230, and the amount over \$2,230.

Consequently, for individuals who first become eligible for old-age insurance benefits or disability insurance benefits in 1991, or who die in 1991 before becoming eligible for benefits, we will compute their primary

insurance amount by adding the following:

(a) 90 percent of the first \$370 of their average indexed monthly earnings, plus

(b) 32 percent of the average indexed monthly earnings over \$370 and through \$2,230, plus

(c) 15 percent of the average indexed monthly earnings over \$2,230.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the adjustments we have described are contained in section 215(a) of the Act (42 U.S.C. 415(a)).

Maximum Benefits Payable to a Family

General. The 1977 Amendments continued the long established policy of limiting the total monthly benefits which a worker's family may receive based on his or her primary insurance amount. Those amendments also continued the then existing relationship between maximum family benefits and primary insurance amounts but did change the method of computing the maximum amount of benefits which may be paid to a worker's family. The Social Security Disability Amendments of 1980 (Pub. L. 96-265) established a new formula for computing the maximum benefits payable to the family of a disabled worker. This new formula is applied to the family benefits of workers who first become entitled to disability insurance benefits after June 30, 1980, and who first become eligible for these benefits after 1978. The new formula was explained in a final rule published in the **Federal Register** on May 8, 1981, at 46 FR 25601. For disabled workers initially entitled to disability benefits before July 1980, or whose disability began before 1979, the family maximum payable is computed the same as the old-age and survivor family maximum.

Computing the Old-Age and Survivor Family Maximum. The formula used to compute the family maximum is similar to that used to compute the primary insurance amount. It involves computing the sum of four separate percentages of portions of the worker's primary insurance amount. In 1979, these portions were the first \$230, the amount

between \$230 and \$332, the amount between \$332 and \$433, and the amount over \$433. The dollar amounts in the formula which govern the portions of the primary insurance amount are frequently referred to as the "bend points" of the family-maximum formula. This, the bend points for 1979 were \$230, \$332, and \$433.

The bend points for 1991 are obtained by multiplying the corresponding 1979 bend-point amounts by the ratio between the average of the total wages for 1989, \$20,099.55, and the average for 1977, \$9,779.44. This amount is then rounded to the nearest dollar. For 1991, the ratio is 2.0552864. Multiplying the amounts of \$230, \$332, and \$433 by 2.0552864 produces the amounts of \$472.72, \$682.36, and \$889.94. These amounts are then rounded to \$473, \$682, and \$890. Accordingly, the portions of the primary insurance amounts to be used in 1991 are determined to be the first \$473, the amount between \$473 and \$682, the amount between \$682 and \$890, and the amount over \$890.

Consequently, for the family of a worker who becomes age 62 or dies in 1991 the total amount of benefits payable to them will be computed so that it does not exceed:

(a) 150 percent of the first \$473 of the worker's primary insurance amount, plus

(b) 272 percent of the worker's primary insurance amount over \$473 through \$682, plus

(c) 134 percent of the worker's primary insurance amount over \$682 through \$890, plus

(d) 175 percent of the worker's primary insurance amount over \$890.

This amount is then rounded to the next lower multiple of \$.10 if it is not already a multiple of \$.10. This formula and the adjustments we have described are contained in section 203(a) of the Act (42 U.S.C. 403(a)).

Deemed Average of the Total Wages Under Transitional Rule

Section 10208 of Public Law 101-239, which amended section 209 of the Act (42 U.S.C. 409), provides a transitional rule for computing the average of the total wages used in the formula for determining the contribution and benefit base and the "old-law" contribution and benefit base. The transitional rule was used to determine the bases for 1990 and will be used to determine the bases for 1991 and 1992. The determination of the 1990 bases was published as a notice in the **Federal Register** on December 29, 1989, at 54 FR 53751, and superseded the determination as a notice in the **Federal Register** on October 31, 1989, at 54 FR 45801.

Computation. Under the transitional rule, the deemed average of the total wages for 1989 is equal to the average of the total wages for 1989, as determined above, plus 2 percent of the average wage amount determined for 1988.

Amount. The average wage amount announced above for 1989 was \$20,099.55. The average wage amount announced for 1988 in the **Federal Register** on October 31, 1989 (54 FR 45801), was \$19,334.04. Two percent of \$19,334.04 is \$386.68, and the sum of this amount and \$20,099.55 is \$20,486.23. Therefore, the deemed average wage under the transitional rule for 1989, as used below to determine the bases for 1991, is \$20,486.23.

Contribution and Benefit Base

General. The contribution and benefit base is \$53,400 for remuneration paid in 1991 and self-employment income earned in taxable years beginning in 1991.

The contribution and benefit base serves two purposes:

(1) It is the maximum annual amount of earnings on which Social Security taxes are paid.

(2) It is the maximum annual amount used in determining a persons' Social Security benefits.

Computation. Section 230(c) of the Act provides a table with the contribution and benefit base for each year 1978, 1979, 1980, and 1981. For years after 1981, section 230(b) of the Act contains a

formula for determining the contribution and benefit base. This formula was amended by section 10208 of Public Law 101-239 to substitute deemed average wage amounts for average wage amounts. Under the prescribed formula, the contribution and benefit base for 1991 shall be equal to the 1990 base of \$51,300 multiplied by the ratio of (1) the deemed average amount, per employee, of total wages for the calendar year 1989 to (2) the deemed average amount of those wages for the calendar year 1988. Section 230(b) further provides that if the amount so determined is not a multiple of \$300, it shall be rounded to the nearest multiple of \$300.

Deemed Average Wages. The deemed average wage for calendar year 1988 was previously determined to be \$19,702.57. That determination was published as a notice in the **Federal Register** on December 29, 1989, at 54 FR 53751. The deemed average wage for calendar year 1989 has been determined to be \$20,486.23, as stated above.

Amount. The ratio of the deemed average wage for 1989, \$20,486.23, compared to the deemed average wage for 1988, \$19,702.57, is 1.0397745. Multiplying the 1990 contribution and benefit base amount of \$51,300 by the ratio of 1.0397745 produces the amount of \$53,340.43 which must then be rounded to \$53,400. Accordingly, the contribution and benefit base is determined to be \$53,400 for 1991.

"Old-Law" Contribution and Benefit Base

General. The 1991 "old-law" contribution and benefit base is \$39,600. This is the base that would have been effective under the Act without the enactment of the 1977 amendments. The base is computed under section 230(b) of the Act as it read prior to the 1977 amendments.

The "old-law" contribution and benefit base is used by:

(1) The Railroad Retirement program to determine certain tax liabilities and tier II benefits payable under that program to supplement the tier I payments which correspond to basic Social Security benefits.

(2) The Pension Benefit Guaranty Corporation to determine the maximum

amount of pension guaranteed under the Employee Retirement Income Security Act (as stated in section 230(d) of the Act), and

(3) Social Security to determine a "year of coverage" in computing the "special minimum" benefit and in computing benefits for persons who are also eligible to receive pensions based on employment not covered under section 210 of the Act.

Computation. The base is computed using the automatic adjustment formula in section 230(b) of the Act as it read prior to the enactment of the 1977 amendments, but as amended by section 10208 of Public Law 101-239. Under the formula, the "old-law" contribution and benefit base shall be the "old-law" 1990 base multiplied by the ratio of (1) the deemed average amount, per employee, of total wages for the calendar year of 1989 to (2) the deemed average amount of those wages for the calendar year of 1988. If the amount so determined is not a multiple of \$300, it shall be rounded to the nearest multiple of \$300.

Deemed Average Wages. The deemed average wage for calendar year 1988 was previously determined to be \$19,702.57. The deemed average wage for calendar year 1989 has been determined to be \$20,486.23, as stated above.

Amount. The ratio of the deemed average wage for 1989, \$20,486.23, compared to the deemed average wage for 1988, \$19,702.57, is 1.0397745. Multiplying the 1990 "old-law" contribution and benefit base amount of \$38,100 by the ratio of 1.0397745 produces the amount of \$39,615.41 which must then be rounded to \$39,600. Accordingly, the "old-law" contribution and benefit base is determined to be \$39,600 for 1991.

(Catalog of Federal Domestic Assistance Programs Nos. 93.802-93.805, and 93.807 Social Security Programs)

Dated: October 25, 1990.

Louis W. Sullivan,

Secretary of Health and Human Services.

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**APPENDIX D.—AUTOMATIC ADJUSTMENTS UNDER OLD-AGE,
SURVIVORS, AND DISABILITY INSURANCE**

The Social Security Act specifies that certain program amounts affecting the determination of OASDI benefits are to be adjusted annually, in general, to reflect changes in the economy. The law prescribes specific formulas which, when applied to reported statistics, produce "automatic" revisions in these program amounts and hence in the benefit-computation procedures.

In this appendix, values are shown for the program amounts which are subject to automatic adjustment, from the time that such adjustments became effective through 1991. Projected values for future years through 2000, based on the intermediate set of assumptions (alternative II), are also shown. Many of these assumptions are described in the subsection of this report entitled "Economic and Demographic Assumptions" and are shown in tables 10 and 11. The subsection entitled "Automatic Adjustments," and Appendix C, provide a more complete description of the program amounts affected by the automatic-adjustment procedures.

Under section 215(b)(3) of the Social Security Act, the average amount of total wages for each year after 1950 is used to index the earnings of most workers first becoming eligible for benefits in 1979 or later. This procedure converts a worker's past earnings to approximately their equivalent values near the time of the worker's retirement or other eligibility, and these values are used to calculate the worker's Average Indexed Monthly Earnings (AIME). The average amount of total wages for each year is also used to adjust most of the program amounts that are subject to the automatic-adjustment provisions. A copy of the notice announcing the average wage for 1989, including a brief description of its derivation, is shown in Appendix C. Table D1 shows the average amount of total wages as announced for each year 1951 through 1989.

TABLE D1.—AVERAGE AMOUNT OF TOTAL WAGES, CALENDAR YEARS 1951-89

Year	Amount	Year	Amount	Year	Amount
1951.....	\$2,799.16	1966.....	\$4,938.36	1981.....	\$13,773.10
1952.....	2,973.32	1967.....	5,213.44	1982.....	14,531.34
1953.....	3,139.44	1968.....	5,571.76	1983.....	15,239.24
1954.....	3,155.64	1969.....	5,893.76	1984.....	16,135.07
1955.....	3,301.44	1970.....	6,186.24	1985.....	16,822.51
1956.....	3,532.36	1971.....	6,497.08	1986.....	17,321.82
1957.....	3,641.72	1972.....	7,133.80	1987.....	18,426.51
1958.....	3,673.80	1973.....	7,580.16	1988.....	19,334.04
1959.....	3,855.80	1974.....	8,030.76	1989.....	20,099.55
1960.....	4,007.12	1975.....	8,630.92		
1961.....	4,086.76	1976.....	9,226.48		
1962.....	4,291.40	1977.....	9,779.44		
1963.....	4,396.64	1978.....	10,556.03		
1964.....	4,576.32	1979.....	11,479.46		
1965.....	4,658.72	1980.....	12,513.46		

Table D2 shows the estimated average amount of total wages for each year 1990 through 2000, based on the three alternative sets of assumptions.

TABLE D2.—ESTIMATED AVERAGE AMOUNT OF TOTAL WAGES BY ALTERNATIVE,
CALENDAR YEARS 1990-2000

Calendar year	I	II	III
1990	\$21,065.56	\$21,024.11	\$20,944.24
1991	21,832.13	21,780.69	21,471.79
1992	22,867.18	22,925.64	22,743.06
1993	24,010.14	24,143.42	24,388.27
1994	25,180.76	25,384.98	25,843.50
1995	26,439.35	26,737.74	26,903.97
1996	27,741.59	28,141.28	28,680.36
1997	29,111.22	29,613.54	30,400.25
1998	30,524.65	31,147.78	32,129.10
1999	32,031.58	32,765.11	33,950.96
2000	33,623.53	34,464.16	35,859.73

The provisions for automatic cost-of-living increases in OASDI benefits were originally enacted in 1972 and first became effective with the benefit increase effective for June 1975. The determination of the benefit increase effective for December 1990 is shown in Appendix C. Table D3 shows the automatic benefit increases determined for each year 1975-90, and the benefit increases for each year 1991-2000, on the basis of the intermediate set of assumptions.

The law provides for an automatic increase in the contribution and benefit base for the year following a year in which an automatic benefit increase became effective. The base for 1975 was the first one determined on this basis. (Amendments enacted in December 1973 provided that the 11-percent general benefit increase that became effective in 1974 would be considered an automatic cost-of-living benefit increase for purposes of the automatic-adjustment provisions.) The bases for 1979-81 were specified by the 1977 amendments at levels above those which were expected to occur under the automatic-adjustment provisions (and which, in fact, as the experience developed, were above such levels). Starting again in 1982, the bases have been determined automatically on the basis of increases in average wages. The bases for years after 1989 are slightly higher than they otherwise would have been through the effects of a new procedure to determine the base, as required by Public Law 101-239. Table D3 shows actual past and projected future amounts for the contribution and benefit base.

The law provides for the determination of the contribution and benefit bases that would have been in effect in each year after 1978 under the automatic-adjustment provisions as in effect before the enactment of the 1977 amendments. (For years after 1989, the "old-law" bases were modified in the same way as the current-law bases, as described above.) This old-law base is used in determining special-minimum benefits for certain workers who have many years of low earnings in covered employment. Beginning in 1986, the old-law base is also used in the calculation of OASDI benefits for certain workers who are eligible to receive pensions based on noncovered employment. In addition, it is used for certain purposes under the Railroad Retirement program and the Employee Retirement Income Security Act of 1974. Table D3 shows the old-law bases for 1979-91, together with estimated amounts for 1992-2000 on the basis of the intermediate set of assumptions.

The 1972 amendments specified that the amount of earnings exempted from the withholding of benefits under the retirement earnings test would increase automatically in the year following a year in which an automatic cost-of-living benefit increase became effective. The 1977 amendments modified this procedure by establishing two different exempt amounts—one for those under age 65 and another for those aged 65 and over. The former amounts continued to increase automatically, while the latter amounts were specified for 1978-82, after which they again increase automatically. The exempt amounts are shown in table D3 for 1975-2000.

The 1977 amendments specified the amount of earnings required in 1978 to be credited with a "quarter of coverage" and provided for automatic adjustment of this amount for future years. Table D3 shows the amounts for 1978-2000.

The 1977 amendments substantially revised the method of computing benefits for most workers first becoming eligible for benefits in 1979 and later. The formula used to compute the Primary Insurance Amount (PIA) for workers who first became eligible for benefits, or who died before becoming eligible, in 1979 is:

90 percent of the first \$180 of AIME, plus
 32 percent of AIME in excess of \$180
 but not in excess of \$1,085, plus
 15 percent of AIME in excess of \$1,085.

The amounts separating the individual's AIME into intervals—the "bend points"—are adjusted automatically by the changes in average wages as specified in section 215(a)(1)(B) of the Social Security Act. (A regular-minimum benefit of \$122 and a special-minimum benefit varying by "years of coverage" are also provided, although for most workers first becoming eligible for benefits in 1982 and later, the regular-minimum benefit of \$122 has been eliminated.) The bend points for 1979-91, and the values projected for 1992-2000, are shown in table D3.

A similar formula is used to compute the maximum total amount of monthly benefits payable on the basis of the earnings of a retired or deceased individual. This formula is a function of the individual's PIA, and is shown below for workers who first became eligible for benefits, or who died before becoming eligible, in 1979:

150 percent of the first \$230 of PIA, plus
 272 percent of the PIA in excess of \$230
 but not in excess of \$332, plus
 134 percent of the PIA in excess of \$332
 but not in excess of \$433, plus
 175 percent of the PIA in excess of \$433.

These PIA-interval bend points are adjusted automatically in accordance with section 203(a)(2) of the Act. The maximum-family-benefit bend points for 1979-2000 are shown in table D3.

TABLE D3.—OASDI PROGRAM AMOUNTS DETERMINED UNDER THE AUTOMATIC-ADJUSTMENT PROVISIONS, CALENDAR YEARS 1975-91,
AND PROJECTED FUTURE AMOUNTS, CALENDAR YEARS 1992-2000, ON THE BASIS OF THE INTERMEDIATE SET OF ASSUMPTIONS

Calendar year	Benefit increase ¹ (percent)	Contribution and benefit base ²	"Old law" contribution and benefit base ³	Retirement earnings test exempt amount		Amount of earnings required for quarter of coverage ⁴	AIME "bend points" in PIA formula		PIA "bend points" in maximum-family-benefit formula		
				Under age 65	Ages 65 and over ⁵		First	Second	First	Second	Third
Actual experience:											
1975	8.0	\$14,100	(⁶)	\$2,520	\$2,520	(⁷)	(⁸)	(⁹)	(⁹)	(⁹)	(⁹)
1976	6.4	15,300	(⁶)	2,760	2,760	(⁷)	(⁸)	(⁹)	(⁹)	(⁹)	(⁹)
1977	5.9	16,500	(⁶)	3,000	3,000	(⁷)	(⁸)	(⁹)	(⁹)	(⁹)	(⁹)
1978	6.5	17,700	(⁶)	3,240	4,000	\$250	(⁸)	(⁹)	(⁹)	(⁹)	(⁹)
1979	9.9	\$22,900	\$18,900	3,480	4,500	260	\$180	\$1,085	\$230	\$332	\$433
1980	14.3	\$25,900	20,400	3,720	5,000	290	194	1,171	248	358	467
1981	11.2	\$29,700	22,200	4,080	5,500	310	211	1,274	270	390	508
1982	7.4	32,400	24,300	4,440	6,000	340	230	1,388	294	425	554
1983	3.5	35,700	26,700	4,920	6,600	370	254	1,528	324	468	610
1984	3.5	37,800	28,200	5,160	6,960	390	267	1,612	342	493	643
1985	3.1	39,600	29,700	5,400	7,320	410	280	1,691	358	517	675
1986	1.3	42,000	31,500	5,760	7,800	440	297	1,790	379	548	714
1987	4.2	43,800	32,700	6,000	8,160	460	310	1,866	396	571	745
1988	4.0	45,000	33,600	6,120	8,400	470	319	1,922	407	588	767
1989	4.7	48,000	35,700	6,480	8,880	500	339	2,044	433	626	816
1990	5.4	51,300	38,100	6,840	9,380	520	358	2,145	455	656	856
1991	104.8	53,400	39,800	7,080	9,720	540	370	2,230	473	682	890
Estimated future experience:											
1992	4.0	55,800	41,400	7,440	10,200	570	387	2,333	494	714	931
1993	4.0	57,900	42,900	7,680	10,560	590	401	2,417	512	739	964
1994	4.0	60,900	45,300	8,040	11,160	620	422	2,544	539	778	1,015
1995	4.0	64,200	47,700	8,520	11,760	650	444	2,679	568	820	1,069
1996	4.0	67,500	50,100	9,000	12,360	690	467	2,816	597	862	1,124
1997	4.0	71,100	52,800	9,480	12,960	720	492	2,966	629	908	1,184
1998	4.0	74,700	55,500	9,960	13,680	760	518	3,122	662	955	1,246
1999	4.0	78,600	58,500	10,440	14,400	800	545	3,286	696	1,005	1,311
2000	4.0	82,800	61,500	11,040	15,120	840	573	3,456	733	1,057	1,379

¹Effective with benefits payable for June in each year 1975-82, and for December in each year after 1982.

²The bases for years after 1989 were increased slightly through the effect of a new procedure to determine the base, as required by Public Law 101-239.

³Contribution and benefit base that would have been determined automatically under the law in effect prior to enactment of the Social Security Amendments of 1977. The bases for years after 1989 were increased slightly through the effect of a new procedure to determine the base, as required by Public Law 101-239.

⁵In 1955-82, retirement earnings test did not apply at ages 72 and over; beginning in 1983, it does not apply at ages 70 and over.

⁴See Appendix C for a description of quarter-of-coverage requirements prior to 1978.

⁶No provision in law for this amount in this year.

⁷Amount not subject to automatic-adjustment provisions in this year.

⁸Amount specified by Social Security Amendments of 1977.

⁹Amount specified for first year by Social Security Amendments of 1977; amounts for subsequent years subject to automatic-adjustment provisions.

¹⁰Estimated.

**APPENDIX E.—ACTUARIAL ESTIMATES FOR THE OASDI AND HI PROGRAMS,
COMBINED**

In this appendix, long-range actuarial estimates for the OASDI and Hospital Insurance (HI) programs are combined to facilitate analysis of the adequacy of the combined income and assets of the trust funds relative to their combined expenditures. Long-range estimates are subject to much uncertainty and should not be considered precise forecasts. Instead they should be considered as indicative of the general trend and range of costs that could reasonably be expected to occur. The emphasis in this appendix on combined operations should not obscure the financial status of the individual trust funds.

As with the OASI and DI Trust Funds, income to the HI Trust Fund comes primarily from contributions paid by employees, employers, and self-employed persons. The combined OASDI and HI contribution rate for employees and their employers is often referred to as the FICA tax, because it is authorized by the Federal Insurance Contributions Act. Contribution rates for the OASDI and HI programs are shown in table E1.

**TABLE E1.— CONTRIBUTION RATES FOR THE OASDI AND HI PROGRAMS
(In percent)**

Calendar years	Employees and employers, each			Self-employed		
	OASDI	HI	Total	OASDI	HI	Total
1966	3.85	0.35	4.20	5.80	0.35	6.15
1967	3.90	.50	4.40	5.90	.50	6.40
1968	3.80	.60	4.40	5.80	.80	6.40
1969-70	4.20	.60	4.80	6.30	.80	6.90
1971-72	4.60	.60	5.20	6.90	.80	7.50
1973	4.85	1.00	5.85	7.00	1.00	8.00
1974-77	4.95	.90	5.85	7.00	.90	7.90
1978	5.05	1.00	6.05	7.10	1.00	8.10
1979-80	5.08	1.05	6.13	7.05	1.05	8.10
1981	5.35	1.30	6.65	8.00	1.30	9.30
1982-83	5.40	1.30	6.70	8.05	1.30	9.35
1984 ¹	5.70	1.30	7.00	11.40	2.60	14.00
1985 ¹	5.70	1.35	7.05	11.40	2.70	14.10
1986-87 ¹	5.70	1.45	7.15	11.40	2.90	14.30
1988-89 ¹	6.06	1.45	7.51	12.12	2.90	15.02
1990 and later	6.20	1.45	7.65	12.40	2.90	15.30

¹See section entitled "Basis for Trust Fund Receipts and Expenditures" for description of tax credits allowed against the combined OASDI and HI taxes on net earnings from self-employment in 1984-89.

Table E2 shows estimated annual income rates and cost rates for the OASDI program, the HI program, and the combined OASDI and HI programs, based on the sets of assumptions, alternatives I, II, and III, described earlier in this report. Income rates exclude interest earned on trust fund assets. Cost rates shown for HI exclude the cost of maintaining the trust fund at a level suitable for a contingency reserve. Table E2 also shows the excess of income rates over cost rates, called balances. Estimates shown for the combined trust funds are theoretical because no authority currently exists for transferring assets from one trust fund to another.

Under all three sets of assumptions, combined OASDI and HI cost rates are projected to rise above current levels, with the sharpest increase occurring during the period 2010-2030. Under the more pessimistic set of assumptions, alternative III, annual deficits are projected to occur before the turn of the century, and to continue throughout the 75-year projection period. Cost rates are projected to rise to over three times their current level by the end of the projection period. Under the intermediate assumptions, annual deficits begin to occur shortly after the turn of the century, with cost rates nearly doubling by the end of the projection period. Under the more optimistic assumptions, alternative I, cost rates are

projected to increase by about one-quarter, with annual deficits beginning roughly halfway through the projection period.

TABLE E2.—COMPARISON OF ESTIMATED INCOME RATES AND COST RATES¹ FOR OASDI AND HI BY ALTERNATIVE, CALENDAR YEARS 1991-2065
[As a percentage of taxable payroll²]

Calendar year	OASDI			HI			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Alternative I:									
1991	12.61	11.03	1.59	2.90	2.59	0.31	15.51	13.62	1.89
1992	12.62	11.01	1.61	2.90	2.62	.28	15.52	13.63	1.89
1993	12.62	10.80	1.82	2.90	2.64	.26	15.52	13.45	2.07
1994	12.62	10.63	2.00	2.90	2.71	.19	15.52	13.33	2.19
1995	12.57	10.43	2.14	2.90	2.77	.13	15.47	13.19	2.28
1996	12.62	10.25	2.37	2.90	2.82	.08	15.52	13.07	2.46
1997	12.62	10.08	2.54	2.90	2.86	.03	15.52	12.95	2.58
1998	12.63	9.94	2.69	2.90	2.91	-.01	15.53	12.85	2.68
1999	12.63	9.81	2.82	2.90	2.96	-.06	15.53	12.77	2.77
2000	12.64	9.69	2.94	2.90	2.99	-.09	15.54	12.69	2.85
2005	12.70	9.47	3.23	2.90	3.12	-.22	15.60	12.59	3.01
2010	12.76	9.77	3.00	2.90	3.28	-.39	15.66	13.05	2.61
2015	12.82	10.64	2.18	2.90	3.60	-.70	15.72	14.24	1.48
2020	12.89	11.83	1.06	2.90	3.73	-.83	15.79	15.56	.23
2025	12.94	12.81	.13	2.90	3.96	-1.06	15.84	16.78	-.93
2030	12.98	13.27	-.29	2.90	4.17	-1.28	15.88	17.44	-1.57
2035	12.98	13.19	-.20	2.90	4.30	-1.40	15.88	17.49	-1.60
2040	12.97	12.78	.19	2.90	4.37	-1.47	15.87	17.15	-1.28
2045	12.96	12.44	.52	2.90	4.42	-1.52	15.86	16.86	-1.00
2050	12.96	12.28	.67	2.90	4.46	-1.56	15.86	16.75	-.89
2055	12.96	12.29	.67	2.90	4.54	-1.64	15.86	16.83	-.97
2060	12.96	12.32	.65	2.90	4.66	-1.76	15.86	16.98	-1.11
2065	12.96	12.29	.68	2.90	4.78	-1.88	15.86	17.07	-1.20
Alternative II:									
1991	12.61	11.10	1.51	2.90	2.61	.28	15.51	13.72	1.80
1992	12.62	11.18	1.44	2.90	2.68	.22	15.52	13.87	1.65
1993	12.63	11.14	1.48	2.90	2.76	.14	15.53	13.90	1.62
1994	12.63	11.10	1.53	2.90	2.87	.03	15.53	13.97	1.56
1995	12.63	11.04	1.59	2.90	2.99	-.09	15.53	14.02	1.51
1996	12.64	10.99	1.65	2.90	3.09	-.20	15.54	14.08	1.45
1997	12.64	10.94	1.69	2.90	3.20	-.30	15.54	14.15	1.39
1998	12.65	10.92	1.73	2.90	3.31	-.41	15.55	14.22	1.32
1999	12.66	10.90	1.76	2.90	3.41	-.51	15.56	14.31	1.24
2000	12.66	10.88	1.79	2.90	3.52	-.62	15.56	14.40	1.17
2005	12.74	10.90	1.85	2.90	3.98	-1.08	15.64	14.88	.76
2010	12.82	11.31	1.51	2.90	4.56	-1.66	15.72	15.87	-.14
2015	12.89	12.42	.47	2.90	5.45	-2.55	15.79	17.87	-2.08
2020	12.98	13.96	-.98	2.90	6.20	-3.30	15.88	20.16	-4.28
2025	13.06	15.38	-2.32	2.90	7.08	-4.18	15.96	22.46	-6.51
2030	13.11	16.31	-3.19	2.90	7.84	-4.94	16.01	24.14	-8.13
2035	13.14	16.65	-3.50	2.90	8.31	-5.42	16.04	24.96	-8.92
2040	13.15	16.58	-3.43	2.90	8.55	-5.65	16.05	25.12	-9.08
2045	13.15	16.54	-3.40	2.90	8.63	-5.73	16.05	25.18	-9.13
2050	13.16	16.72	-3.56	2.90	8.72	-5.82	16.06	25.44	-9.38
2055	13.18	17.10	-3.92	2.90	8.85	-5.95	16.08	25.95	-9.87
2060	13.20	17.48	-4.28	2.90	9.07	-6.17	16.10	26.55	-10.45
2065	13.22	17.74	-4.52	2.90	9.30	-6.40	16.12	27.04	-10.92
Alternative III:									
1991	12.62	11.28	1.34	2.90	2.65	.25	15.52	13.93	1.58
1992	12.63	11.71	.93	2.90	2.79	.11	15.53	14.49	1.04
1993	12.64	11.71	.93	2.90	2.90	.00	15.54	14.61	.93
1994	12.65	11.89	.75	2.90	3.06	-.16	15.55	14.95	.60
1995	12.66	12.31	.35	2.90	3.27	-.37	15.56	15.58	-.02
1996	12.66	12.22	.45	2.90	3.43	-.53	15.56	15.64	-.08
1997	12.67	12.18	.48	2.90	3.60	-.70	15.57	15.78	-.22
1998	12.67	12.19	.49	2.90	3.78	-.88	15.57	15.97	-.39
1999	12.69	12.25	.44	2.90	3.97	-1.07	15.59	16.22	-.64
2000	12.70	12.33	.37	2.90	4.16	-1.26	15.60	16.49	-.89

TABLE E2.—COMPARISON OF ESTIMATED INCOME RATES AND COST RATES¹ FOR OASDI AND HI BY ALTERNATIVE, CALENDAR YEARS 1991-2065 (Cont.)
(As a percentage of taxable payroll²)

Calendar year	OASDI			HI			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Alternative III: (Cont.)									
2005.....	12.80	12.48	0.32	2.90	5.14	-2.24	15.70	17.62	-1.93
2010.....	12.89	12.94	-.05	2.90	6.43	-3.53	15.79	19.37	-3.58
2015.....	12.97	14.25	-1.27	2.90	8.43	-5.54	15.87	22.68	-6.81
2020.....	13.07	16.10	-3.03	2.90	10.50	-7.60	15.97	26.60	-10.63
2025.....	13.17	18.00	-4.82	2.90	12.65	-9.96	16.07	30.86	-14.78
2030.....	13.26	19.51	-6.25	2.90	14.95	-12.05	16.16	34.46	-18.31
2035.....	13.32	20.51	-7.19	2.90	16.36	-13.46	16.22	36.87	-20.66
2040.....	13.35	21.11	-7.76	2.90	16.83	-14.03	16.25	38.04	-21.79
2045.....	13.39	21.78	-8.39	2.90	17.12	-14.22	16.29	38.89	-22.61
2050.....	13.43	22.71	-9.28	2.90	17.29	-14.39	16.33	40.00	-23.67
2055.....	13.49	23.93	-10.44	2.90	17.60	-14.70	16.39	41.53	-25.14
2060.....	13.56	25.13	-11.58	2.90	18.04	-15.15	16.46	43.18	-26.72
2065.....	13.60	26.10	-12.50	2.90	18.50	-15.60	16.50	44.60	-28.10

¹Cost rates for HI exclude amounts required for trust fund maintenance.

²The taxable payroll for HI is somewhat larger than the taxable payroll for OASDI because the HI taxable maximum amount is significantly higher than the taxable maximum for OASDI beginning 1991, and because HI covers all Federal civilian employees, including those hired before 1984, all State and local government employees hired after April 1, 1986, and railroad employees.

Note: Totals do not necessarily equal the sums of rounded components.

Table E3 shows the estimates of summarized OASDI and HI income rates, cost rates and balances for various time periods, based on all three sets of assumptions. Values are summarized over the three 25-year subperiods (excluding the beginning fund balances and the cost of ending fund targets) as well as 25-year, 50-year, and 75-year valuation periods (for which beginning fund balances are included in the summarized income rates, and the costs of reaching and maintaining an ending fund balance equal to 100 percent of annual expenditures by the end of the period are included in the summarized cost rates). Summarized income rates exclude interest earned on trust fund assets. Estimates shown for the combined trust funds are theoretical because no authority currently exists for transferring assets from one trust fund to another.

Under alternative III, the combined OASDI and HI system is projected to show deficits during the 25, 50, and 75-year valuation periods (including beginning trust fund balances and the cost of ending fund targets). Deficits are projected to occur during each 25-year subperiod of the 75-year projection (excluding beginning trust fund balances and the cost of ending fund targets). Under intermediate alternative II assumptions, positive balances are projected to occur for both the first 25-year subperiod and the 25-year valuation period. Deficits are projected for the 50 and 75-year valuation periods and for the last two 25-year subperiods. Under alternative I, the combined OASDI and HI system is projected to show positive balances for the 25, 50, and 75-year valuation periods and for the first 25-year subperiod. Small deficits are projected for the second and third 25-year subperiods.

TABLE E3.—COMPARISON OF SUMMARIZED INCOME RATES AND COST RATES¹ FOR OASDI AND HI BY ALTERNATIVE, CALENDAR YEARS 1991-2065
 (As a percentage of taxable payroll²)

Calendar year	OASDI			HI			Total		
	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance	Income rate	Cost rate	Balance
Alternative I:									
25-year subperiods: ³									
1991-2015	12.66	10.06	2.60	2.90	3.05	-0.15	15.57	13.11	2.45
2016-2040	12.92	12.62	.30	2.90	4.03	-1.13	15.83	16.65	-0.83
2041-2065	12.94	12.39	.55	2.90	4.53	-1.63	15.85	16.92	-1.08
Valuation periods: ³									
25 years: 1991-2015	13.09	10.46	2.62	3.08	3.18	-1.10	16.17	13.65	2.52
50 years: 1991-2040	13.01	11.42	1.60	3.00	3.56	-0.56	16.02	14.98	1.04
75 years: 1991-2065	13.00	11.65	1.34	2.98	3.82	-0.84	15.97	15.47	.50
Alternative II:									
25-year subperiods: ³									
1991-2015	12.69	11.20	1.49	2.90	3.80	-0.89	15.60	15.00	.60
2016-2040	13.04	15.41	-2.37	2.90	7.28	-4.38	15.94	22.69	-6.74
2041-2065	13.15	17.03	-3.88	2.90	8.84	-5.93	16.06	25.86	-9.81
Valuation periods: ³									
25 years: 1991-2015	13.14	11.67	1.47	3.09	4.00	-0.91	16.23	15.67	.56
50 years: 1991-2040	13.10	13.30	-.21	3.01	5.45	-2.44	16.11	18.75	-2.65
75 years: 1991-2065	13.11	14.19	-1.08	2.98	6.27	-3.29	16.09	20.47	-4.37
Alternative III:									
25-year subperiods: ³									
1991-2015	12.73	12.55	.19	2.91	4.86	-1.95	15.64	17.40	-1.77
2016-2040	13.17	18.40	-5.23	2.90	13.46	-10.56	16.07	31.86	-15.79
2041-2065	13.44	23.43	-9.99	2.90	17.53	-14.63	16.35	40.97	-24.62
Valuation periods: ³									
25 years: 1991-2015	13.20	13.09	.11	3.10	5.18	-2.08	16.30	18.27	-1.96
50 years: 1991-2040	13.19	15.46	-2.27	3.01	8.89	-5.88	16.20	24.35	-8.15
75 years: 1991-2065	13.25	17.37	-4.12	2.99	10.95	-7.96	16.24	28.32	-12.08

¹The taxable payroll for HI is considerably larger than the taxable payroll for OASDI because the HI taxable maximum amount is significantly higher than the taxable maximum for OASDI beginning 1991, and because HI covers all Federal civilian employees, including those hired before 1984, all State and local government employees hired after April 1, 1986, and railroad employees.

²Income rates do not include beginning trust fund balances and cost rates do not include the cost of reaching ending fund targets.

³Income rates include beginning trust fund balances and cost rates include an ending fund target equal to 100 percent of annual expenditures by the end of the period.

Note: Totals do not necessarily equal the sums of rounded components.

**APPENDIX F.—LONG-RANGE ESTIMATES OF SOCIAL SECURITY TRUST FUND
OPERATIONS IN DOLLARS**

This appendix presents long-range projections of the operations of the combined OASI and DI Trust Funds and in some cases the HI Trust Fund. It provides the means to track the progress of the funds during the projection period, as well as the potential budgetary impact of the funds' operations. Several economic series, or "indices," are provided to allow current dollars to be adjusted for variations caused by changes in prices, wages, and certain other aspects of economic growth during the projection period.

The selection of a particular index for adjustment reflects the analyst's decision of which aspect of the economy to use as a standard. Table F1 presents five such indices for adjustment, which consider the problem of standardization from different points of view.

One of the most common forms of standardization is based on some measure of change in the prices of consumer goods. One such price index is the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W, hereafter referred to as "CPI"), which is published by the Bureau of Labor Statistics, Department of Labor. This is the index used to determine annual increases in OASDI monthly benefits payable after the year of initial eligibility. The CPI is assumed to increase ultimately at annual rates of 3.0, 4.0, and 5.0 percent for alternatives I, II, and III, respectively. Constant-dollar values (adjusted by the CPI) are provided in table F2.

Another type of standardization combines the effects of price inflation with real-wage growth. The wage index presented here is the "SSA average wage index," as defined in section 215(i)(1)(G) of the Social Security Act. This index is used to make annual adjustments to many earnings-related quantities embodied in the Social Security Act, such as the contribution and benefit base. The average annual wage is assumed to increase ultimately by 4.7, 5.1, and 5.6 percent under alternatives I, II, and III, respectively.

The payroll index adjusts for the effect of changes in the number of workers as well as for the effects of price inflation and real-wage growth. The OASDI taxable payroll consists of all earnings subject to OASDI taxation, adjusted for the lower effective tax rate on multiple-employer "excess wages," and including deemed wage credits for military service. The gross national product (GNP) index adjusts for the same effects as the taxable payroll index, plus the effect of other changes in the national economy. No explicit assumptions are made about growth in taxable payroll or GNP. These series are computed reflecting the other more basic economic and demographic assumptions, as discussed in Appendix A.

Discounting with interest is another way of adjusting current dollars. The series of interest-rate factors included here is based on the average of the assumed annual interest rates for special public-debt obligations issuable to the trust funds. Ultimate nominal interest rates compounded semiannually, are assumed to be approximately 6.0, 6.3, and 6.5 percent for alternatives I, II, and III, respectively.

TABLE F1.—SELECTED ECONOMIC VARIABLES BY ALTERNATIVE,
 CALENDAR YEARS 1991-2065
 [GNP and taxable payroll in billions]

Calendar year	Adjusted CPI ¹	SSA average wage index ²	Taxable payroll ³	Gross national product	Compound interest-rate factor ⁴
Alternative I:					
1991	100.00	\$21,832	\$2,473	\$5,665	1.0000
1992	102.84	22,867	2,628	6,030	1.0745
1993	106.05	24,010	2,800	6,431	1.1461
1994	109.24	25,181	2,981	6,838	1.2172
1995	112.52	26,439	3,173	7,258	1.2929
1996	115.90	27,742	3,370	7,700	1.3733
1997	119.38	29,111	3,579	8,164	1.4587
1998	122.96	30,525	3,797	8,648	1.5494
1999	126.65	32,032	4,027	9,156	1.6457
2000	130.45	33,624	4,271	9,695	1.7481
2005	151.23	42,303	5,619	12,766	2.3492
2010	175.32	53,224	7,302	16,640	3.1572
2015	203.24	66,964	9,407	21,514	4.2430
2020	235.62	84,251	12,036	27,659	5.7022
2025	273.14	106,001	15,400	35,561	7.6533
2030	316.65	133,365	19,820	45,987	10.2989
2035	367.08	167,794	25,671	59,851	13.8408
2040	425.55	211,110	33,274	77,948	18.6009
2045	493.33	265,609	43,077	101,398	24.9980
2050	571.90	334,177	55,727	131,801	33.5953
2055	662.99	420,446	72,128	171,410	45.1492
2060	768.59	528,986	93,446	223,134	60.6768
2065	891.00	665,545	121,106	290,565	81.5445
Alternative II:					
1991	100.00	21,781	2,462	5,650	1.0000
1992	103.95	22,926	2,614	6,045	1.0778
1993	108.11	24,143	2,782	6,448	1.1566
1994	112.43	25,385	2,956	6,854	1.2359
1995	116.92	26,738	3,142	7,284	1.3208
1996	121.62	28,141	3,336	7,743	1.4106
1997	126.49	29,614	3,540	8,228	1.5056
1998	131.54	31,148	3,755	8,741	1.6057
1999	136.81	32,765	3,984	9,286	1.7117
2000	142.27	34,464	4,228	9,865	1.8235
2005	173.10	44,195	5,607	13,155	2.4857
2010	210.60	56,675	7,413	17,528	3.3885
2015	256.23	72,678	9,666	23,046	4.6190
2020	311.74	93,201	12,467	30,010	6.2964
2025	379.28	119,518	16,023	38,940	8.5829
2030	461.45	153,257	20,651	50,669	11.6999
2035	561.43	196,545	26,722	66,191	15.9487
2040	683.06	252,043	34,569	86,449	21.7406
2045	831.05	323,213	44,591	112,578	29.6357
2050	1,011.10	414,479	57,347	146,170	40.3980
2055	1,230.15	531,516	73,676	189,587	55.0687
2060	1,496.67	681,601	94,698	246,009	75.0672
2065	1,820.93	874,066	121,828	319,513	102.3281
Alternative III:					
1991	100.00	21,472	2,429	5,542	1.0000
1992	105.62	22,743	2,546	5,908	1.0865
1993	112.38	24,388	2,743	6,441	1.1830
1994	119.34	25,844	2,930	6,858	1.2869
1995	125.07	26,904	3,055	7,131	1.3944
1996	131.35	28,680	3,283	7,734	1.5020
1997	137.90	30,400	3,519	8,314	1.6095
1998	144.80	32,129	3,762	8,880	1.7232
1999	152.04	33,951	4,007	9,473	1.8424
2000	159.64	35,860	4,262	10,106	1.9673

TABLE F1.—SELECTED ECONOMIC VARIABLES BY ALTERNATIVE.
CALENDAR YEARS 1991-2065 (Cont.)
(GNP and taxable payroll in billions)

Calendar year	Adjusted CPI ¹	SSA average wage index ²	Taxable payroll ³	Gross national product	Compound interest-rate factor ⁴
Alternative III: (Cont.)					
2005.....	203.75	\$47,089	\$5,732	\$13,750	2.7049
2010.....	260.04	61,836	7,736	18,789	3.7190
2015.....	331.88	81,201	10,289	25,267	5.1134
2020.....	423.57	106,631	13,444	33,555	7.0305
2025.....	540.00	140,024	17,467	44,222	9.8663
2030.....	689.96	183,875	22,693	58,277	13.2904
2035.....	880.58	241,459	29,501	76,849	18.2732
2040.....	1,123.86	317,076	38,266	101,111	25.1241
2045.....	1,434.37	416,373	49,371	132,325	34.5436
2050.....	1,830.66	546,787	63,348	172,224	47.4946
2055.....	2,336.43	717,996	81,029	223,451	65.3011
2060.....	2,981.95	942,848	103,558	289,674	89.7836
2065.....	3,805.80	1,238,117	132,508	375,965	123.4451

¹The CPI used to adjust OASDI benefits is the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI), as defined by the Bureau of Labor Statistics, Department of Labor. The values shown are adjusted by dividing the calendar-year annual average CPI by the analogous value for 1991, and multiplying the result by 100, thereby initializing the CPI at 100 for 1991.

²The "SSA average wage index" is defined in section 215(i)(1)(G) of the Social Security Act; it is used in the calculations of initial benefits and the automatic adjustment of the contribution and benefit base and other wage-indexed program amounts.

³Taxable payroll consists of total earnings subject to OASDI contribution rates, adjusted to include deemed wages based on military service and to reflect the lower effective contribution rates (compared to the combined employee-employer rate) which apply to multiple-employer "excess wages."

⁴The compound interest-rate factor is based on the average of the assumed annual interest rates for special public-debt obligations issuable to the trust funds in the 12 months of the year, under each alternative.

Table F2 shows estimated operations of the combined OASI and DI Trust Funds in constant 1991 dollars adjusted by the CPI indexing series discussed above. Items included in the table are: income excluding interest, interest income, total income, total outgo, and assets at the end of the year. Income excluding interest consists of payroll-tax contributions, income from taxation of benefits, and miscellaneous reimbursements from the general fund of the Treasury. Outgo consists of benefit payments, administrative expenses, net transfers from the OASI and DI Trust Funds to the Railroad Retirement program under the financial-interchange provisions, and payments for vocational rehabilitation services for disabled beneficiaries. These estimates are based on the three sets of assumptions I, II, and III described earlier in this report.

Figure F1 provides a comparison of annual total income including interest with annual income excluding interest, for the OASDI program under alternative II assumptions. Both values are expressed in constant dollars, as shown in table F2. The difference between the values for each year is equal to the trust fund interest earnings. Thus the figure illustrates the amounts of total program income that are attributable to the trust fund interest and to other sources.

TABLE F2.—ESTIMATED OPERATIONS OF THE COMBINED OASI AND DI TRUST FUNDS IN CONSTANT 1991 DOLLARS¹ BY ALTERNATIVE, CALENDAR YEARS 1991-2065
(in billions)

Calendar year	Income excluding interest	Interest income	Total income	Outgo	Assets at end of year
Alternative I:					
1991.....	\$309.5	\$22.0	\$331.5	\$272.8	\$283.9
1992.....	321.2	25.5	346.7	281.4	341.4
1993.....	331.1	29.0	360.1	285.3	405.8
1994.....	343.7	32.6	376.3	290.1	480.2
1995.....	353.1	36.7	389.8	294.1	561.9
1996.....	366.2	41.3	407.4	298.1	654.9
1997.....	377.2	46.5	423.7	302.3	757.2
1998.....	388.8	52.3	441.1	306.9	869.3
1999.....	400.3	58.7	459.0	312.0	991.0
2000.....	412.5	65.6	478.1	317.4	1,122.8
2005.....	470.3	106.1	576.5	351.8	1,911.1
2010.....	530.0	162.2	692.3	406.8	2,891.8
2015.....	591.6	224.2	815.9	492.4	3,961.9
2020.....	656.5	284.2	940.7	604.3	4,986.5
2025.....	727.8	336.3	1,066.1	722.4	5,907.9
2030.....	810.1	388.7	1,198.8	850.6	6,776.3
2035.....	905.5	443.6	1,349.0	922.3	7,735.2
2040.....	1,011.5	512.8	1,524.3	999.4	8,957.1
2045.....	1,128.5	603.0	1,731.5	1,086.2	10,543.8
2050.....	1,259.0	715.7	1,974.7	1,196.9	12,518.8
2055.....	1,405.9	850.4	2,256.4	1,337.0	14,871.5
2060.....	1,571.7	1,008.2	2,579.9	1,497.5	17,625.0
2065.....	1,757.1	1,193.6	2,950.9	1,670.3	20,866.6
Alternative II:					
1991.....	308.2	21.9	330.1	273.4	281.9
1992.....	316.2	25.1	341.2	281.3	331.2
1993.....	322.9	28.2	351.1	286.8	382.7
1994.....	331.3	31.3	362.6	291.8	439.8
1995.....	338.0	34.6	372.5	296.6	497.8
1996.....	345.7	38.1	383.7	301.4	560.9
1997.....	352.6	41.7	394.3	306.4	627.3
1998.....	359.9	45.5	405.3	311.7	696.8
1999.....	367.2	49.3	416.5	317.4	769.1
2000.....	375.0	53.4	428.4	323.3	844.6
2005.....	411.4	73.6	485.0	353.0	1,259.1
2010.....	449.9	101.2	551.1	398.2	1,715.3
2015.....	484.8	125.1	609.9	468.7	2,098.3
2020.....	517.4	136.3	653.7	558.3	2,258.3
2025.....	549.9	129.2	679.1	649.8	2,114.5
2030.....	585.1	103.8	688.8	729.8	1,871.3
2035.....	623.5	64.0	687.5	792.3	998.3
2040.....	663.2	14.6	677.8	839.0	174.8
2045.....	(²)	(²)	(²)	(²)	(²)
Alternative III:					
1991.....	304.3	21.9	326.2	274.1	277.4
1992.....	303.4	24.4	327.8	282.3	308.2
1993.....	306.2	26.7	332.9	285.9	336.6
1994.....	309.8	29.1	338.9	292.1	363.7
1995.....	307.9	30.9	338.8	300.8	385.1
1996.....	315.1	32.1	347.2	305.4	408.5
1997.....	322.1	33.2	355.2	310.9	433.4
1998.....	328.0	34.2	362.3	316.7	458.3
1999.....	332.9	35.2	368.1	322.8	481.8
2000.....	337.6	36.0	373.6	329.2	503.2
2005.....	358.6	36.0	394.6	351.1	593.7
2010.....	382.1	40.1	422.2	385.0	654.7
2015.....	399.9	36.4	436.3	440.8	577.7
2020.....	413.5	16.3	429.8	511.0	226.4
2025.....	(²)	(²)	(²)	(²)	(²)

¹The adjustment from current to constant dollars is by the CPI indexing series shown in table F1.

²The combined OASI and DI Trust Funds are estimated to become exhausted in 2041 under alternative II and in 2022 under alternative III.

FIGURE F1.—ESTIMATED OASDI INCOME IN CONSTANT 1991 DOLLARS,
 BASED ON ALTERNATIVE II, CALENDAR YEARS 1991-2041

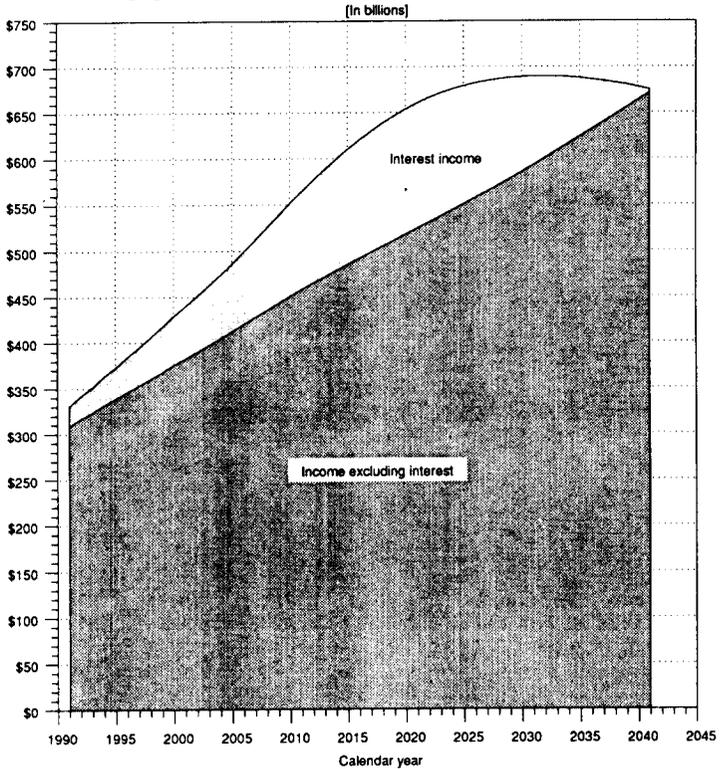


Table F3 shows estimated operations of the combined OASI and DI Trust Funds in current dollars—that is in dollars unadjusted for inflation. Items included in the table are: income excluding interest, interest income, total income, total outgo, and assets at the end of the year. These estimates, based on the three sets of economic and demographic assumptions I, II, and III described earlier in this report, are presented to facilitate independent analysis.

TABLE F3.—ESTIMATED OPERATIONS OF THE COMBINED OASI AND DI TRUST FUNDS IN CURRENT DOLLARS BY ALTERNATIVE, CALENDAR YEARS 1991-2065
[in billions]

Calendar year	Income excluding interest	Interest income	Total income	Outgo	Assets at end of year
Alternative I:					
1991	\$309.5	\$22.0	\$331.5	\$272.8	\$283.9
1992	330.3	26.2	356.5	289.4	351.0
1993	351.2	30.7	381.9	302.6	430.4
1994	375.4	35.6	411.0	316.9	524.5
1995	397.3	41.3	438.6	330.9	652.3
1996	424.4	47.8	472.2	345.5	759.0
1997	450.3	55.5	505.8	360.9	904.0
1998	478.0	64.3	542.3	377.4	1,068.9
1999	507.0	74.3	581.3	395.1	1,255.1
2000	538.1	85.6	623.7	414.1	1,464.7
2005	711.3	160.5	871.8	532.0	2,890.2
2010	929.2	284.4	1,213.7	713.2	5,070.0
2015	1,202.5	455.7	1,658.2	1,000.7	8,052.3
2020	1,546.8	669.7	2,216.4	1,423.9	11,749.0
2025	1,986.0	923.9	2,910.0	1,973.3	16,137.0
2030	2,565.0	1,230.8	3,795.8	2,630.0	21,456.8
2035	3,323.9	1,628.2	4,952.1	3,385.7	28,394.6
2040	4,304.3	2,182.4	6,486.7	4,253.0	38,116.7
2045	5,567.3	2,974.8	8,542.1	5,358.4	52,015.3
2050	7,199.9	4,093.2	11,293.2	6,844.8	71,595.1
2055	9,321.1	5,638.4	14,959.4	8,864.1	98,596.1
2060	12,079.6	7,748.9	19,828.6	11,509.2	135,463.4
2065	15,655.8	10,636.5	26,292.2	14,882.1	185,921.4
Alternative II:					
1991	308.2	21.9	330.1	273.4	281.9
1992	328.7	26.1	354.7	292.4	344.2
1993	348.1	30.5	378.6	310.1	413.8
1994	372.4	35.2	407.7	328.1	493.3
1995	395.2	40.4	435.6	346.8	582.1
1996	420.4	46.3	466.7	366.6	682.2
1997	446.0	52.8	498.8	387.5	795.6
1998	473.4	59.8	533.2	410.0	916.6
1999	502.3	67.5	569.8	434.2	1,052.2
2000	533.6	75.9	609.5	460.0	1,201.7
2005	712.0	127.4	839.5	611.0	2,179.5
2010	947.5	213.0	1,160.5	838.5	3,612.4
2015	1,242.2	320.6	1,562.8	1,200.9	5,376.5
2020	1,613.0	424.8	2,037.8	1,740.4	7,039.9
2025	2,085.8	490.1	2,575.9	2,464.7	8,019.8
2030	2,699.7	478.9	3,178.6	3,367.5	7,712.4
2035	3,500.5	359.1	3,859.6	4,448.1	5,604.6
2040	4,529.9	100.0	4,629.9	5,731.2	1,194.0
2045	(¹)	(¹)	(¹)	(¹)	(¹)
Alternative III:					
1991	304.3	21.9	326.2	274.1	277.4
1992	320.4	25.8	346.2	298.1	325.5
1993	344.1	30.0	374.1	321.3	378.3
1994	369.7	34.7	404.4	348.6	434.0
1995	385.1	38.6	423.7	376.2	481.6
1996	413.9	42.2	456.1	401.1	536.6
1997	444.1	45.8	489.9	428.8	597.7
1998	475.0	49.6	524.6	458.6	663.7
1999	506.2	53.5	559.7	490.9	732.5
2000	539.0	57.4	596.4	525.6	803.4
2005	730.6	73.4	804.0	715.3	1,209.7
2010	993.6	104.2	1,097.8	1,001.2	1,702.5
2015	1,327.2	120.7	1,447.9	1,463.0	1,917.4
2020	1,751.4	68.9	1,820.3	2,164.6	958.1
2025	(¹)	(¹)	(¹)	(¹)	(¹)

¹The combined OASI and DI Trust Funds are estimated to become exhausted in 2041 under alternative II and in 2022 under alternative III.

Table F4 shows estimated income excluding interest and total outgo of the combined OASI and DI Trust Funds, of the HI Trust Fund, and of the combined OASI, DI, and HI Trust Funds, based on the three sets of assumptions I, II, and III described earlier in this report. For OASDI, income excluding interest consists of payroll-tax contributions, proceeds from taxation of benefits, and miscellaneous

reimbursements from the general fund of the Treasury. Outgo consists of benefit payments, administrative expenses, net transfers from the trust funds to the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. For HI, income excluding interest consists of contributions (including contributions from railroad employment) and payments from the general fund of the Treasury for contributions on deemed wage credits for military service. Total outgo consists of outlays (benefits and administrative expenses) for insured beneficiaries. Both the HI income and outgo are on an incurred basis.

Table F4 also shows the excess of income excluding interest over outgo, called the balance. The balance approximately reflects the potential impact of trust fund operations on the Federal Budget. Interest income is excluded because it is an intragovernmental transfer within the Federal Budget, and therefore does not directly affect the total Federal Budget balance. Other types of income, because they are components of total government receipts, have a direct effect on the total budget balance.

TABLE F4.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE IN CURRENT DOLLARS BY ALTERNATIVE, CALENDAR YEARS 1991-2065
(In billions)

Calendar year	OASDI			HI			Total		
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance
Alternative I:									
1991	\$309.5	\$272.8	\$36.7	\$76.1	\$68.1	\$8.1	\$385.6	\$340.9	\$44.7
1992	330.3	289.4	40.9	80.8	72.9	7.9	411.1	352.3	58.8
1993	351.2	302.6	48.6	86.1	78.5	7.6	437.3	381.1	56.2
1994	375.4	316.9	58.5	91.6	85.5	6.2	467.0	402.3	64.7
1995	397.3	330.9	66.4	97.4	92.9	4.5	494.8	423.8	70.9
1996	424.3	345.5	78.9	103.5	100.6	2.9	527.9	446.0	81.9
1997	450.3	360.9	89.5	109.8	108.5	1.3	560.1	469.3	90.8
1998	478.0	377.4	100.7	116.4	116.8	-.4	594.5	494.2	100.3
1999	507.0	395.1	111.9	123.4	125.7	-2.3	630.4	520.9	109.5
2000	538.1	414.1	124.0	130.8	135.0	-4.2	668.8	549.1	119.8
2005	711.3	532.0	179.3	170.5	183.5	-13.1	881.8	715.5	166.3
2010	929.2	713.2	216.0	221.2	250.6	-29.4	1,150.5	963.8	186.7
2015	1,202.5	1,000.7	201.8	264.6	353.2	-88.7	1,467.0	1,353.9	133.1
2020	1,546.8	1,423.9	122.8	364.0	468.3	-104.3	1,910.8	1,822.2	188.5
2025	1,988.0	1,973.3	14.7	465.7	636.5	-170.9	2,453.7	2,609.9	-156.2
2030	2,565.0	2,830.0	-265.0	599.3	862.7	-263.5	3,164.3	3,492.7	-328.5
2035	3,323.9	3,385.7	-61.8	776.1	1,151.1	-375.0	4,100.0	4,536.8	-436.8
2040	4,304.3	4,253.0	51.3	1,006.0	1,516.2	-510.3	5,310.3	5,789.2	-479.0
2045	5,567.3	5,358.4	208.9	1,302.3	1,984.4	-682.1	6,869.6	7,342.8	-473.2
2050	7,199.9	6,844.8	355.2	1,684.6	2,592.5	-907.9	8,884.5	9,437.3	-552.8
2055	9,321.1	8,864.1	457.0	2,180.3	3,416.3	-1,236.0	11,501.4	12,280.4	-779.0
2060	12,079.6	11,509.2	570.4	2,824.6	4,537.9	-1,713.3	14,904.2	16,047.1	-1,142.9
2065	15,655.8	14,882.1	773.7	3,660.5	6,029.8	-2,369.3	19,316.3	20,911.9	-1,595.5
Alternative II:									
1991	308.2	273.4	34.7	75.8	68.4	7.5	384.0	341.8	42.2
1992	328.6	292.4	36.2	80.5	74.5	6.0	409.1	366.9	42.2
1993	349.1	310.1	39.0	85.6	81.5	4.2	434.7	391.5	43.2
1994	372.4	328.1	44.3	91.0	90.1	.8	463.4	418.2	45.2
1995	395.2	346.8	48.3	96.6	99.5	-2.9	491.8	446.4	45.4
1996	420.4	366.6	53.8	102.6	109.5	-6.9	523.0	478.1	44.9
1997	446.0	387.5	58.4	108.8	120.1	-11.3	554.8	507.7	47.2
1998	473.4	410.0	63.4	115.4	131.5	-16.2	588.8	541.5	47.2
1999	502.3	434.2	68.1	122.3	144.0	-21.7	624.7	578.2	46.5
2000	533.6	460.0	73.6	129.8	157.4	-27.7	663.3	617.4	45.9

TABLE F4.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE IN CURRENT DOLLARS BY ALTERNATIVE, CALENDAR YEARS 1991-2065 (Cont.)
(In billions)

Calendar year	OASDI			HI			Total		
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance
Alternative II:									
2005	\$712.0	\$611.0	\$101.0	\$170.3	\$233.8	-\$63.6	\$682.3	\$944.9	\$37.4
2010	947.5	838.5	109.0	224.8	353.2	-128.4	1,172.3	1,191.7	-19.4
2015	1,242.2	1,200.9	41.4	292.7	549.6	-256.9	1,534.9	1,750.5	-215.6
2020	1,613.0	1,740.4	-127.4	377.4	806.9	-429.5	1,990.4	2,547.3	-556.8
2025	2,065.8	2,464.7	-378.9	485.0	1,184.4	-699.4	2,570.8	3,649.1	-1,078.3
2030	2,699.7	3,367.5	-667.8	625.1	1,689.4	-1,064.3	3,324.8	5,058.9	-1,732.1
2035	3,500.5	4,448.1	-947.6	806.8	2,319.0	-1,510.2	4,309.3	6,767.1	-2,457.8
2040	4,529.9	5,731.2	-1,201.2	1,046.3	3,083.3	-2,037.0	5,576.2	8,814.5	-3,238.3
2045	5,844.3	7,376.8	-1,532.4	1,349.6	4,018.1	-2,668.5	7,193.9	11,394.8	-4,200.9
2050	7,523.1	9,588.2	-2,065.1	1,735.7	5,217.2	-3,481.5	9,258.8	14,805.4	-5,546.7
2055	9,680.7	12,588.3	-2,917.6	2,229.9	6,805.7	-4,575.8	11,910.6	19,404.0	-7,487.6
2060	12,463.2	16,554.0	-4,090.8	2,856.1	9,962.9	-6,096.8	15,329.2	25,516.8	-10,187.6
2065	16,051.4	21,607.3	-5,555.9	3,687.1	11,825.5	-8,138.4	19,738.5	33,432.8	-13,694.3
Alternative III:									
1991	304.3	274.1	30.2	74.8	68.5	6.4	379.1	342.5	36.6
1992	320.4	298.1	22.3	78.5	75.5	3.0	398.9	373.6	25.3
1993	344.1	321.3	22.8	84.6	84.5	0.1	428.8	405.8	22.9
1994	369.7	348.6	21.1	90.4	95.3	-4.9	460.1	443.9	16.2
1995	385.1	376.2	9.0	94.2	106.3	-12.1	479.3	482.4	-3.1
1996	413.9	401.1	12.8	101.2	119.6	-18.4	515.1	520.7	-5.6
1997	444.1	428.8	15.3	108.4	134.5	-26.1	552.6	563.3	-10.8
1998	475.0	458.6	16.4	115.9	151.0	-35.1	590.9	609.6	-18.7
1999	506.2	490.9	15.3	123.4	169.0	-45.6	629.5	658.8	-30.3
2000	539.0	525.6	13.4	131.2	188.2	-57.0	670.2	713.7	-43.6
2005	730.6	715.3	15.3	174.4	309.3	-134.9	905.0	1,024.6	-119.6
2010	993.6	1,001.2	-7.7	235.1	521.4	-286.3	1,228.7	1,522.6	-294.0
2015	1,327.2	1,463.0	-135.8	311.6	906.2	-594.7	1,638.8	2,369.2	-730.5
2020	1,751.4	2,164.6	-413.3	407.8	1,476.8	-1,068.9	2,159.2	3,641.4	-1,482.2
2025	2,293.2	3,143.7	-850.4	529.8	2,949.9	-1,820.0	3,686.5	7,976.8	-4,290.3
2030	2,998.2	4,427.5	-1,429.3	688.3	3,549.3	-2,861.0	4,809.6	11,099.0	-6,289.4
2035	3,914.8	6,049.9	-2,135.2	894.8	5,049.0	-4,154.3	6,252.1	14,853.7	-8,601.6
2040	5,091.5	8,079.0	-2,987.5	1,160.6	6,774.6	-5,614.1	6,252.1	14,853.7	-8,601.6
2045	6,586.2	10,752.3	-4,166.1	1,497.4	8,836.9	-7,339.6	8,083.6	19,589.3	-11,505.7
2050	8,481.0	14,388.7	-5,907.7	1,921.2	11,452.5	-9,531.3	10,402.2	25,841.2	-15,439.0
2055	10,897.5	19,389.1	-8,491.6	2,457.4	14,913.7	-12,456.3	13,354.9	34,302.8	-20,947.9
2060	13,991.5	26,025.6	-12,034.1	3,140.5	19,541.8	-16,401.2	17,132.0	45,567.4	-28,435.4
2065	17,968.4	34,587.8	-16,619.4	4,018.4	25,634.5	-21,616.1	21,986.8	60,222.3	-36,235.5

Table F5 shows estimated income excluding interest, total outgo, and the excess of income excluding interest over total outgo (balance) of the combined OASDI and DI Trust Funds, of the HI Trust Fund, and of the combined OASDI, DI, and HI Trust Funds, annually for alternative II.

TABLE F5.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE IN CURRENT DOLLARS FOR ALTERNATIVE II, CALENDAR YEARS 1991-2065
(In billions)

Calendar year	OASDI			HI			Total		
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance
1991	\$306.2	\$273.4	\$34.7	\$75.8	\$68.4	\$7.5	\$384.0	\$341.8	\$42.2
1992	328.7	292.4	36.2	80.5	74.5	6.0	409.1	366.9	42.2
1993	349.1	310.1	39.0	85.6	81.5	4.2	434.7	391.5	43.2
1994	372.4	328.1	44.3	91.0	90.1	0.9	463.4	418.2	45.2
1995	395.2	346.8	48.3	96.6	99.5	-2.9	491.8	446.4	45.4
1996	420.4	366.6	53.8	102.6	109.5	-6.9	523.0	476.1	46.9
1997	446.0	387.5	58.4	108.8	120.1	-11.3	554.8	507.7	47.2
1998	473.4	410.0	63.4	115.4	131.5	-16.2	588.8	541.5	47.2
1999	502.3	434.2	68.1	122.3	144.0	-21.7	624.7	578.2	46.5
2000	533.6	460.0	73.6	129.8	157.4	-27.7	663.3	617.4	45.9

TABLE F5.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE IN CURRENT DOLLARS FOR ALTERNATIVE II, CALENDAR YEARS 1991-2065 (Cont.)
(In billions)

Calendar year	OASDI			HI			Total		
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance
2001	\$565.0	\$486.7	\$78.3	\$135.5	\$170.5	-\$35.0	\$700.5	\$657.2	\$43.4
2002	596.7	514.3	84.4	143.5	184.6	-41.1	742.2	698.9	43.2
2003	634.2	544.0	90.2	151.9	199.7	-47.8	786.1	743.7	42.4
2004	671.9	576.2	95.7	160.8	216.1	-55.3	832.7	792.3	40.4
2005	712.0	611.0	101.0	170.3	233.8	-63.8	882.3	844.9	37.4
2006	754.8	648.4	106.4	180.3	253.3	-73.0	935.1	901.7	33.4
2007	799.4	688.6	110.8	191.7	275.2	-83.5	990.1	963.8	26.3
2008	846.1	733.4	112.7	201.5	298.6	-97.2	1,047.6	1,033.0	14.6
2009	895.4	783.7	111.7	212.8	325.8	-112.9	1,108.2	1,109.5	-1.2
2010	947.5	836.5	109.0	224.8	353.2	-128.4	1,172.3	1,191.7	-19.4
2011	1,001.8	898.3	103.5	237.3	384.3	-147.0	1,239.1	1,282.7	-43.5
2012	1,058.1	964.1	94.0	250.3	420.7	-170.4	1,308.5	1,384.8	-76.4
2013	1,116.0	1,036.3	79.7	263.8	460.8	-197.2	1,379.5	1,497.0	-117.5
2014	1,177.6	1,115.1	62.5	277.8	503.3	-225.5	1,455.4	1,618.4	-163.0
2015	1,242.2	1,200.9	41.4	292.7	548.6	-256.9	1,534.9	1,750.5	-215.6
2016	1,309.6	1,293.8	15.8	306.1	592.5	-284.4	1,617.7	1,896.3	-278.6
2017	1,380.2	1,394.5	-14.2	324.3	640.0	-315.7	1,704.5	2,034.4	-329.9
2018	1,454.0	1,502.3	-48.3	341.1	691.8	-350.7	1,795.1	2,194.1	-399.0
2019	1,531.6	1,617.7	-86.1	358.8	747.1	-388.3	1,890.4	2,364.8	-474.4
2020	1,613.0	1,740.4	-127.4	377.4	806.9	-429.5	1,990.4	2,547.3	-556.8
2021	1,698.3	1,870.1	-171.8	396.8	872.2	-475.4	2,095.1	2,742.3	-647.1
2022	1,787.8	2,007.2	-219.4	417.2	943.7	-526.5	2,205.0	2,950.9	-745.9
2023	1,882.1	2,152.0	-269.9	438.7	1,018.3	-579.6	2,320.8	3,170.3	-849.5
2024	1,981.3	2,304.3	-323.0	461.2	1,098.8	-637.6	2,442.5	3,403.1	-960.6
2025	2,085.8	2,464.7	-378.9	485.0	1,184.4	-699.4	2,570.8	3,649.1	-1,078.3
2026	2,195.8	2,632.3	-436.5	510.1	1,274.5	-764.4	2,705.9	3,906.8	-1,200.9
2027	2,311.4	2,806.4	-495.0	536.4	1,371.5	-835.1	2,847.4	4,177.8	-1,330.1
2028	2,434.1	2,996.3	-562.2	564.4	1,472.9	-908.5	2,998.4	4,459.1	-1,460.7
2029	2,563.4	3,173.3	-609.8	593.9	1,579.0	-985.1	3,157.4	4,752.3	-1,594.9
2030	2,699.7	3,367.5	-667.8	625.1	1,689.4	-1,064.3	3,324.8	5,056.9	-1,732.1
2031	2,843.4	3,569.2	-725.8	657.9	1,804.4	-1,146.4	3,501.4	5,373.5	-1,872.2
2032	2,995.4	3,778.9	-783.5	692.8	1,925.2	-1,232.4	3,688.2	5,704.1	-2,015.9
2033	3,155.8	3,996.3	-840.6	729.5	2,050.5	-1,321.0	3,885.3	6,048.8	-2,161.5
2034	3,324.2	4,219.3	-895.1	768.2	2,181.6	-1,413.3	4,092.5	6,400.9	-2,308.4
2035	3,500.5	4,448.1	-947.6	808.8	2,319.0	-1,510.2	4,308.3	6,767.1	-2,457.6
2036	3,685.7	4,684.2	-998.4	851.5	2,462.8	-1,611.3	4,537.2	7,148.9	-2,609.8
2037	3,880.9	4,929.0	-1,048.1	896.5	2,610.6	-1,714.1	4,777.4	7,539.6	-2,762.2
2038	4,086.9	5,183.6	-1,096.7	944.0	2,762.1	-1,818.1	5,031.0	7,945.8	-2,914.8
2039	4,303.4	5,450.7	-1,147.3	994.0	2,919.6	-1,925.6	5,297.4	8,370.3	-3,073.0
2040	4,529.9	5,731.2	-1,201.2	1,046.3	3,083.3	-2,037.0	5,576.2	8,814.5	-3,238.3
2041	4,767.2	6,025.4	-1,258.1	1,101.1	3,252.7	-2,151.6	5,868.3	9,278.1	-3,409.8
2042	5,017.6	6,335.0	-1,317.4	1,158.9	3,431.5	-2,272.6	6,176.5	9,766.6	-3,590.0
2043	5,280.1	6,662.9	-1,382.9	1,219.5	3,616.8	-2,397.3	6,499.5	10,279.7	-3,780.2
2044	5,555.5	7,009.7	-1,454.2	1,283.0	3,812.3	-2,529.3	6,838.5	10,822.0	-3,963.5
2045	5,844.3	7,376.8	-1,532.4	1,349.6	4,018.1	-2,668.5	7,193.9	11,394.8	-4,200.9
2046	6,147.8	7,766.0	-1,618.2	1,419.5	4,235.0	-2,815.5	7,567.3	12,001.0	-4,433.7
2047	6,466.7	8,179.6	-1,712.8	1,493.0	4,463.9	-2,971.0	7,959.7	12,643.5	-4,683.8
2048	6,802.0	8,620.6	-1,818.6	1,570.1	4,700.4	-3,130.4	8,372.1	13,321.1	-4,949.0
2049	7,154.1	9,090.0	-1,935.9	1,651.0	4,949.5	-3,298.5	8,805.0	14,039.4	-5,234.4
2050	7,523.1	9,588.2	-2,065.1	1,735.7	5,217.2	-3,481.5	9,258.8	14,805.4	-5,546.7
2051	7,911.0	10,119.4	-2,208.4	1,824.6	5,498.4	-3,673.8	9,735.6	15,617.8	-5,882.2
2052	8,319.8	10,685.2	-2,365.4	1,918.3	5,796.0	-3,877.7	10,238.2	16,481.3	-6,243.1
2053	8,750.9	11,287.6	-2,536.7	2,017.1	6,109.0	-4,091.9	10,768.0	17,396.5	-6,628.6
2054	9,204.4	11,925.0	-2,720.6	2,120.9	6,444.5	-4,323.6	11,325.2	18,369.5	-7,044.3
2055	9,680.7	12,598.3	-2,917.6	2,229.9	6,805.7	-4,575.8	11,910.6	19,404.0	-7,493.4
2056	10,180.3	13,310.1	-3,129.8	2,344.1	7,193.9	-4,848.8	12,524.4	20,504.0	-7,979.6
2057	10,706.5	14,058.9	-3,352.4	2,464.9	7,603.8	-5,138.9	13,173.4	21,662.7	-8,489.4
2058	11,263.9	14,848.1	-3,584.2	2,591.9	8,029.5	-5,437.6	13,855.8	22,877.6	-9,021.8
2059	11,848.7	15,679.9	-3,831.1	2,725.6	8,479.4	-5,753.8	14,574.3	24,159.3	-9,584.9
2060	12,463.2	16,554.0	-4,090.8	2,866.1	8,962.9	-6,096.8	15,329.2	25,516.8	-10,187.6
2061	13,109.7	17,471.7	-4,362.0	3,013.9	9,474.1	-6,460.2	16,123.6	26,945.8	-10,822.1
2062	13,790.0	18,431.3	-4,641.3	3,169.5	10,013.5	-6,844.0	16,959.5	28,444.8	-11,485.3
2063	14,505.9	19,437.6	-4,931.7	3,333.4	10,584.0	-7,250.6	17,839.2	30,021.6	-12,182.3
2064	15,259.1	20,496.5	-5,237.4	3,505.8	11,188.3	-7,682.5	18,764.9	31,684.8	-12,919.9
2065	16,051.4	21,607.3	-5,555.9	3,687.1	11,825.5	-8,138.4	19,738.5	33,432.8	-13,694.3

Table F6 shows estimated future benefit amounts payable to persons retiring at the normal retirement age and to persons retiring at age 65 for various pre-retirement earnings levels, based on alternative II assumptions. The benefit amount is shown in current dollars, constant dollars (adjusted by the CPI indexing series shown in table F1), and as a percentage of earnings in the year before retirement. The normal retirement age is currently 65, and is scheduled to increase to age 66 during the period 2000-2005 (at a rate of 2 months per year as workers attain age 62), and to age 67 during the period 2017-2022 (also by 2 months per year as workers attain age 62). The pre-retirement earnings levels shown are: low (earnings at 45 percent of the projected SSA average wage index), average (earnings at the amount of the projected SSA average wage index), and maximum (earnings at the amount of the projected SSA contribution and benefit base).

TABLE F6.—ESTIMATED BENEFIT AMOUNT PAYABLE TO RETIRED WORKERS WITH VARIOUS PRE-RETIREMENT EARNINGS LEVELS BASED ON ALTERNATIVE II ASSUMPTIONS, CALENDAR YEARS 1995-2065

Calendar year	Current dollars			Constant 1991 dollars ¹			Percent of earnings		
	Low ²	Average	Maximum ³	Low ²	Average	Maximum ³	Low ²	Average	Maximum ³
Normal retirement:									
1995	\$6,545	\$10,734	\$14,966	\$5,595	\$9,175	\$12,793	57.3	42.3	24.6
2000	8,275	13,669	19,802	5,814	9,604	13,913	56.1	41.7	25.2
2005	11,204	18,333	27,529	6,470	10,587	15,898	59.2	43.6	27.2
2010	13,591	22,483	34,792	6,451	10,672	16,514	56.0	41.7	26.8
2015	17,436	28,833	45,532	6,802	11,248	17,763	56.0	41.7	27.4
2020	24,011	39,786	63,034	7,699	12,757	20,212	60.2	44.9	29.6
2025	29,653	48,506	76,909	7,815	12,784	20,270	57.9	42.7	28.2
2030	36,572	60,594	96,073	7,922	13,126	20,811	55.7	41.6	27.4
2035	46,896	77,700	123,192	8,350	13,834	21,934	55.7	41.5	27.4
2040	60,137	99,644	157,866	8,801	14,582	23,102	55.7	41.6	27.4
2045	77,122	127,779	202,453	9,276	15,370	24,351	55.7	41.6	27.4
2050	98,903	163,862	259,614	9,778	16,200	25,666	55.7	41.6	27.4
2055	126,826	210,128	332,907	10,306	17,075	27,051	55.7	41.5	27.4
2060	162,645	269,473	426,919	10,863	17,998	28,513	55.7	41.6	27.4
2065	208,579	345,567	547,467	11,450	18,970	30,053	55.7	41.6	27.4
Age-65 retirement:									
1995	6,545	10,734	14,966	5,595	9,175	12,793	57.3	42.3	24.6
2000	8,275	13,669	19,802	5,814	9,604	13,913	56.1	41.7	25.2
2005	10,427	17,028	25,604	6,021	9,833	14,796	55.1	40.5	25.3
2010	12,760	21,082	32,678	6,056	10,006	15,510	52.6	39.1	25.2
2015	16,368	27,038	42,767	6,386	10,548	16,684	52.6	39.1	25.7
2020	20,999	34,267	54,483	6,733	10,988	17,470	52.6	38.6	25.6
2025	25,320	41,290	65,709	6,673	10,882	17,318	48.9	36.3	24.1
2030	32,064	52,954	84,274	6,946	11,471	18,255	48.9	36.3	24.1
2035	41,118	67,910	108,037	7,321	12,091	19,236	48.9	36.3	24.0
2040	52,734	87,088	138,483	7,717	12,744	20,266	48.9	36.3	24.0
2045	67,621	111,677	177,588	8,134	13,433	21,361	48.9	36.3	24.0
2050	86,719	143,212	227,722	8,573	14,158	22,513	48.9	36.3	24.0
2055	111,208	183,653	292,019	9,037	14,923	23,729	48.9	36.3	24.0
2060	142,608	235,514	374,481	9,525	15,730	25,011	48.9	36.3	24.0
2065	182,879	302,021	480,233	10,039	16,579	26,362	48.9	36.3	24.0

¹The adjustment from current to constant dollars is by the CPI indexing series shown in table F1.

²Earnings equal to 45 percent of average.

³Earnings equal to the SSA contribution and benefit base.

APPENDIX G.—LONG-RANGE ESTIMATES OF SOCIAL SECURITY TRUST FUND OPERATIONS AS A PERCENTAGE OF THE GROSS NATIONAL PRODUCT

This appendix presents long-range projections of the operations of the combined Old-Age and Survivors Insurance and Disability Insurance (OASI and DI) Trust Funds and of the Hospital Insurance (HI) Trust Fund expressed as a percentage of the gross national product (GNP). While expressing these fund operations as a percentage of taxable payroll is the most useful approach for assessing the financial status of the programs, (see table 26 and Appendix E), analyzing them as a percentage of GNP provides an additional perspective on these fund operations in relation to the total value of goods and services produced by the U.S. economy.

Table G1 shows estimated income excluding interest, total outgo, and the resulting balance of the combined OASI and DI Trust Funds, of the HI Trust Fund, and of the combined OASI, DI, and HI Trust Funds, expressed as percentages of GNP on the basis of each of the three alternative sets of assumptions. The estimated GNP on which these percentages are based is also shown in table G1. For OASDI, income excluding interest consists of payroll-tax contributions, proceeds from taxation of benefits, and various reimbursements from the general fund of the Treasury. Total outgo consists of benefit payments, administrative expenses, net transfers from the trust funds to the Railroad Retirement program, and payments for vocational rehabilitation services for disabled beneficiaries. For HI, income excluding interest consists of contributions (including contributions from railroad employment) and payments from the general fund of the Treasury for contributions on deemed wage credits for military service. Total outgo consists of outlays (benefits and administrative expenses) for insured beneficiaries. Both the HI income and outgo are on an incurred basis.

For the next 15 years, the OASDI balance (income excluding interest less outgo) as a percentage of GNP is projected to increase on the basis of alternatives I and II, and to decline on the basis of alternative III. The projected HI balance as a percentage of GNP, however, decreases through 2005 under all three alternatives. The combined OASDI and HI balance as a percentage of GNP is projected, for the next 15 years, to increase under alternative I, and to decline under alternatives II and III. Between 2005 and about 2030, under all three alternatives, both the OASDI and HI balances as percentages of GNP are projected to decline substantially because of the baby-boom generation's reaching retirement age. By 2030, balances are projected to become permanently negative in each case except for the OASDI program under alternative I. After 2030, both the HI and OASDI balances as percentages of GNP are projected to change slightly or to stabilize, except for OASDI under alternative III, for which the balance as a percentage of GNP is projected to continue decreasing.

The combined OASDI and HI balances as percentages of GNP, based on the three alternatives, differ by a relatively large amount around the end of the long-range period (about 9.6 percentage points between alternatives I and III in 2065), while differing by a much smaller amount at the end of the medium-range period (3.5 percentage points in 2015). In addition, the summarized long-range balance as a percentage of GNP varies by a relatively large amount (from 0.20 percent, based on alternative I, to -4.94 percent, based on alternative III), while the medium-range balance varies by a smaller amount (from 1.11 to -0.87 percent). Summarized rates are calculated on the present-value basis including the trust

fund balances on January 1, 1991 and the cost of reaching and maintaining a target trust fund level equal to 100 percent of annual expenditures by the end of the period. (See section VI for explanation.)

TABLE G1.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE AS A PERCENTAGE OF GNP BY ALTERNATIVE, CALENDAR YEARS 1991-2065

Calendar year	Percentage of GNP									GNP in dollars (billions)
	OASDI			HI			Total			
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	
Alternative I:										
1991	5.46	4.82	0.65	1.34	1.20	0.14	6.81	6.02	0.79	5,666
1992	5.48	4.80	.68	1.34	1.21	-.13	6.82	6.01	.81	6,030
1993	5.46	4.70	.76	1.34	1.22	-.12	6.80	5.93	.87	6,431
1994	5.49	4.63	.86	1.34	1.25	-.09	6.83	5.88	.95	6,838
1995	5.47	4.56	.92	1.34	1.28	-.06	6.82	5.84	.98	7,259
1996	5.51	4.49	1.02	1.34	1.31	-.04	6.85	5.79	1.06	7,700
1997	5.52	4.42	1.10	1.34	1.33	-.02	6.86	5.75	1.11	8,165
1998	5.53	4.36	1.16	1.35	1.35	-.00	6.87	5.71	1.16	8,648
1999	5.54	4.32	1.22	1.35	1.37	-.03	6.88	5.69	1.20	9,157
2000	5.55	4.27	1.28	1.35	1.39	-.04	6.90	5.66	1.24	9,695
2005	5.57	4.17	1.40	1.34	1.44	-.10	6.91	5.60	1.30	12,766
2010	5.56	4.29	1.30	1.33	1.51	-.18	6.91	5.79	1.12	16,641
2015	5.59	4.65	.94	1.32	1.64	-.32	6.91	6.29	.62	21,515
2020	5.59	5.15	.44	1.32	1.69	-.38	6.91	6.84	-.07	27,659
2025	5.59	5.55	-.04	1.31	1.79	-.48	6.90	7.34	-.44	35,562
2030	5.58	5.72	-.14	1.30	1.88	-.57	6.88	7.59	-.71	45,987
2035	5.55	5.86	-.10	1.30	1.92	-.63	6.85	7.58	-.73	59,851
2040	5.52	5.46	.07	1.29	1.95	-.65	6.81	7.40	-.59	77,949
2045	5.49	5.28	-.21	1.28	1.96	-.67	6.77	7.24	-.47	101,398
2050	5.46	5.19	-.27	1.28	1.97	-.69	6.74	7.16	-.42	131,802
2055	5.44	5.17	-.27	1.27	1.99	-.72	6.71	7.16	-.45	171,410
2060	5.41	5.16	-.26	1.27	2.03	-.77	6.68	7.19	-.51	223,134
2065	5.39	5.12	-.27	1.26	2.08	-.82	6.65	7.20	-.55	290,565
Summarized rates:¹										
25-year: 1991-2015	5.74	4.59	1.15	1.42	1.47	-.05	7.17	6.06	1.11	----
50-year: 1991-2040	5.67	4.98	.70	1.37	1.62	-.25	7.04	6.60	.44	----
75-year: 1991-2065	5.61	5.03	.58	1.34	1.72	-.38	6.96	6.76	.20	----
Alternative II:										
1991	5.45	4.84	.61	1.34	1.21	-.13	6.80	6.05	.75	5,650
1992	5.44	4.84	.60	1.33	1.23	-.10	6.77	6.07	.70	6,046
1993	5.41	4.81	.60	1.33	1.26	-.06	6.74	6.07	.67	6,449
1994	5.43	4.79	.65	1.33	1.31	-.01	6.76	6.10	.66	6,854
1995	5.42	4.78	.66	1.33	1.37	-.04	6.75	6.13	.62	7,285
1996	5.43	4.73	.69	1.32	1.41	-.09	6.75	6.15	.61	7,743
1997	5.42	4.71	.71	1.32	1.46	-.14	6.74	6.17	.57	8,228
1998	5.42	4.69	.72	1.32	1.50	-.18	6.74	6.20	.54	8,741
1999	5.41	4.68	.73	1.32	1.55	-.23	6.73	6.23	.50	9,287
2000	5.41	4.66	.75	1.32	1.60	-.28	6.72	6.26	.47	9,866
2005	5.41	4.64	.77	1.29	1.78	-.48	6.71	6.42	.28	13,155
2010	5.41	4.78	.62	1.28	2.01	-.73	6.69	6.80	-.11	17,529
2015	5.39	5.21	.18	1.27	2.38	-1.11	6.66	7.60	-.94	23,047
2020	5.37	5.80	-.42	1.26	2.69	-1.43	6.63	8.49	-1.86	30,011
2025	5.36	6.33	-.97	1.25	3.04	-1.80	6.60	9.37	-2.77	38,941
2030	5.33	6.65	-1.32	1.23	3.33	-2.10	6.56	9.98	-3.42	50,669
2035	5.29	6.72	-1.43	1.22	3.50	-2.28	6.51	10.22	-3.71	66,191
2040	5.24	6.63	-1.39	1.21	3.57	-2.36	6.45	10.20	-3.75	86,449
2045	5.19	6.55	-1.36	1.20	3.57	-2.37	6.39	10.12	-3.73	112,578
2050	5.15	6.56	-1.41	1.19	3.57	-2.38	6.33	10.13	-3.79	146,171
2055	5.11	6.65	-1.54	1.18	3.59	-2.41	6.28	10.23	-3.95	189,587
2060	5.07	6.73	-1.66	1.17	3.64	-2.48	6.23	10.37	-4.14	246,009
2065	5.02	6.76	-1.74	1.15	3.70	-2.55	6.18	10.46	-4.29	319,514
Summarized rates:¹										
25-year: 1991-2015	5.62	4.99	.63	1.39	1.80	-.41	7.01	6.79	.22	----
50-year: 1991-2040	5.49	5.58	-.09	1.32	2.40	-1.07	6.82	7.98	-1.16	----
75-year: 1991-2065	5.40	5.85	-.45	1.29	2.70	-1.42	6.69	8.55	-1.86	----

TABLE G1.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE AS A PERCENTAGE OF GNP BY ALTERNATIVE, CALENDAR YEARS 1991-2065 (Cont.)

Calendar year	Percentage of GNP									GNP in dollars (billions)
	OASDI			HI			Total			
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	
Alternative III:										
1991.....	5.49	4.94	0.55	1.35	1.24	0.11	6.84	6.18	0.66	5,543
1992.....	5.42	5.05	.38	1.38	1.26	.05	6.75	6.32	.43	5,908
1993.....	5.34	4.99	.35	1.31	1.31	.00	6.66	6.30	.36	6,441
1994.....	5.39	5.08	.31	1.32	1.39	-.07	6.71	6.47	.24	6,859
1995.....	5.40	5.27	.13	1.32	1.49	-.17	6.72	6.77	-.04	7,131
1996.....	5.35	5.19	.17	1.31	1.55	-.24	6.66	6.73	-.07	7,735
1997.....	5.34	5.16	.18	1.30	1.62	-.31	6.65	6.77	-.13	8,315
1998.....	5.35	5.16	.18	1.31	1.70	-.40	6.65	6.86	-.21	8,880
1999.....	5.34	5.18	.16	1.30	1.78	-.48	6.65	6.97	-.32	9,474
2000.....	5.33	5.20	.13	1.30	1.86	-.56	6.63	7.06	-.43	10,107
2005.....	5.31	5.20	.11	1.27	2.25	-.98	6.58	7.45	-.87	13,750
2010.....	5.29	5.33	-.04	1.25	2.77	-1.52	6.54	8.10	-1.56	18,790
2015.....	5.25	5.79	-.54	1.23	3.59	-2.35	6.49	9.38	-2.89	25,267
2020.....	5.22	6.45	-1.23	1.22	4.40	-3.19	6.43	10.85	-4.42	33,555
2025.....	5.19	7.11	-1.92	1.20	5.31	-4.12	6.38	12.42	-6.04	44,223
2030.....	5.14	7.60	-2.45	1.18	6.09	-4.91	6.33	13.69	-7.36	58,277
2035.....	5.09	7.87	-2.78	1.16	6.57	-5.41	6.28	14.44	-8.18	76,848
2040.....	5.04	7.99	-2.95	1.15	6.70	-5.55	6.18	14.89	-8.51	101,112
2045.....	4.98	8.13	-3.15	1.13	6.68	-5.55	6.11	14.80	-8.70	132,326
2050.....	4.92	8.35	-3.43	1.12	6.65	-5.53	6.04	15.00	-8.96	172,225
2055.....	4.88	8.68	-3.80	1.10	6.67	-5.57	5.96	15.35	-9.37	223,451
2060.....	4.83	8.98	-4.15	1.08	6.75	-5.66	5.91	15.73	-9.82	289,674
2065.....	4.78	9.20	-4.42	1.07	6.82	-5.75	5.85	16.02	-10.17	375,966
Summarized rates: ¹										
25-year: 1991-2015	5.54	5.49	.05	1.37	2.29	-.92	6.91	7.78	-.87	---
50-year: 1991-2040	5.37	6.29	-.92	1.29	3.80	-2.51	6.66	10.10	-3.44	---
75-year: 1991-2065	5.25	6.88	-1.63	1.24	4.55	-3.31	6.49	11.43	-4.94	---

¹Summarized rates are calculated on the present-value basis including the value of the trust funds on January 1, 1991 and the cost of reaching and maintaining a target trust fund level equal to 100 percent of annual expenditures by the end of the period. (See section VI for explanation.)

The difference between trust fund operations expressed as percentages of taxable payroll and those expressed as percentages of GNP can be seen by analyzing the estimated ratios of taxable payroll to GNP, which are presented in table G2. The cost as a percentage of GNP is approximately equal to the cost as a percentage of taxable payroll multiplied by the ratio of taxable payroll to GNP.

Projections of GNP for the first several years were based on assumed quarterly changes in real GNP and the GNP price deflator. Thereafter, projections of GNP were based on the projected increases in U.S. employment, labor productivity, and the GNP price deflator. Productivity projections are consistent with assumed changes in the level of average earnings, the ratio of earnings to worker compensation, the ratio of worker compensation to GNP, and average hours worked per year (see Appendix A).

Projections of taxable payroll, which are described in detail in Appendix A, were based on the projected increases in covered employment and average taxable earnings. Therefore, the projected increases in taxable payroll differ from projected increases in GNP primarily to the extent that average taxable earnings are assumed to increase more slowly than is productivity and to the extent that coverage of U.S. employment changes.

TABLE G2.—RATIO OF TAXABLE PAYROLL TO GNP BY ALTERNATIVE,
CALENDAR YEARS 1991-2065

Calendar year	I	II	III
1991	0.437	0.436	0.438
1992	.436	.432	.431
1993	.435	.431	.426
1994	.436	.431	.427
1995	.437	.431	.428
1996	.438	.431	.425
1997	.438	.430	.423
1998	.438	.430	.424
1999	.440	.429	.423
2000	.441	.429	.422
2005	.440	.426	.417
2010	.439	.423	.412
2015	.437	.419	.406
2020	.435	.415	.401
2025	.433	.411	.395
2030	.431	.408	.389
2035	.429	.404	.384
2040	.427	.400	.378
2045	.425	.396	.373
2050	.423	.392	.368
2055	.421	.389	.363
2060	.419	.385	.358
2065	.417	.381	.352

The long-range trend in the ratio of taxable payroll to GNP reflects the assumed trend in the ratio of wages to total employee compensation—i.e., wages plus fringe benefits. The ratio of wages to total employee compensation declined at average annual rates of 0.33 percent for the 30 years 1960-89 and 0.29, 0.67, and 0.02 percent for the 10-year periods 1960-69, 1970-79, and 1980-89, respectively.

Through 2015, however, the tendency toward decreases in the ratio of taxable payroll to GNP, discussed above, is at least partially offset by the gradually expanding OASDI coverage of Federal civilian employment resulting from the 1983 amendments. For alternative I, the ratio of taxable payroll to GNP is projected to remain about the same until the year 2010, and then to decrease for the remainder of the long-range period. For alternatives II and III, the ratio of taxable payroll to GNP is projected to decrease essentially throughout the long-range period.

Table G3 presents estimates of income excluding interest, outgo, and balance expressed as a percentage of GNP for the OASI and DI Trust Funds, the HI Trust Fund, and the combined OASI, DI, and HI Trust Funds, as well as the actual dollar amount of GNP, for single calendar years based on alternative II.

TABLE G3.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE AS A PERCENTAGE OF GNP FOR ALTERNATIVE II, CALENDAR YEARS 1991-2065

Calendar year	Percentage of GNP									GNP in dollars (billions)
	OASDI			HI			Total			
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	
1991	5.45	4.84	0.61	1.34	1.21	0.13	6.80	6.05	0.75	5,650
1992	5.44	4.84	.60	1.33	1.23	.10	6.77	6.07	.70	5,046
1993	5.41	4.81	.60	1.33	1.26	.06	6.74	6.07	.67	6,449
1994	5.43	4.79	.65	1.33	1.31	.01	6.76	6.10	.66	6,854
1995	5.42	4.76	.66	1.33	1.37	-.04	6.75	6.13	.62	7,285
1996	5.43	4.73	.69	1.32	1.41	-.09	6.75	6.15	.61	7,743
1997	5.42	4.71	.71	1.32	1.46	-.14	6.74	6.17	.57	8,228
1998	5.42	4.69	.72	1.32	1.50	-.18	6.74	6.20	.54	8,741
1999	5.41	4.68	.73	1.32	1.55	-.23	6.73	6.23	.50	9,287
2000	5.41	4.66	.75	1.32	1.60	-.28	6.72	6.26	.47	9,866

TABLE G3.—ESTIMATED OASDI AND HI INCOME EXCLUDING INTEREST, OUTGO, AND BALANCE AS A PERCENTAGE OF GNP FOR ALTERNATIVE II, CALENDAR YEARS 1991-2065 (Cont.)

Calendar year	Percentage of GNP									GNP in dollars (billions)
	OASDI			HI			Total			
	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	Income excluding interest	Outgo	Balance	
2001	5.41	4.66	0.75	1.30	1.63	-0.33	6.71	6.30	0.42	10,440
2002	5.41	4.65	.76	1.30	1.67	-.37	6.71	6.32	.39	11,061
2003	5.41	4.64	.77	1.30	1.70	-.41	6.71	6.35	.36	11,716
2004	5.41	4.64	.77	1.30	1.74	-.45	6.71	6.38	.33	12,412
2005	5.41	4.64	.77	1.29	1.78	-.48	6.71	6.42	.28	13,155
2006	5.41	4.65	.76	1.29	1.82	-.52	6.70	6.46	.24	13,948
2007	5.41	4.69	.72	1.29	1.86	-.57	6.70	6.52	.18	14,779
2008	5.41	4.69	.72	1.29	1.91	-.63	6.70	6.60	.09	15,647
2009	5.41	4.73	.67	1.28	1.97	-.68	6.69	6.70	-.01	16,562
2010	5.41	4.78	.62	1.28	2.01	-.73	6.69	6.80	-.11	17,529
2011	5.40	4.84	.56	1.28	2.07	-.79	6.68	6.92	-.23	18,544
2012	5.40	4.92	.48	1.28	2.15	-.87	6.68	7.07	-.39	19,596
2013	5.40	5.01	.39	1.27	2.23	-.95	6.67	7.24	-.57	20,674
2014	5.39	5.11	.29	1.27	2.31	-1.03	6.67	7.41	-.75	21,833
2015	5.39	5.21	.18	1.27	2.38	-1.11	6.66	7.60	-.94	23,047
2016	5.39	5.32	.07	1.27	2.44	-1.17	6.65	7.76	-1.10	24,311
2017	5.38	5.44	-.06	1.26	2.50	-1.23	6.65	7.94	-1.29	25,637
2018	5.38	5.56	-.18	1.26	2.56	-1.30	6.64	8.12	-1.48	27,022
2019	5.39	5.68	-.30	1.26	2.62	-1.36	6.64	8.30	-1.67	28,479
2020	5.37	5.80	-.42	1.26	2.69	-1.43	6.63	8.49	-1.86	30,011
2021	5.37	5.91	-.54	1.26	2.76	-1.50	6.63	8.67	-2.05	31,616
2022	5.37	6.03	-.66	1.25	2.83	-1.58	6.62	8.86	-2.24	33,303
2023	5.36	6.13	-.77	1.25	2.90	-1.65	6.61	9.04	-2.42	35,084
2024	5.36	6.23	-.87	1.25	2.97	-1.73	6.61	9.21	-2.60	36,960
2025	5.36	6.33	-.97	1.25	3.04	-1.80	6.60	9.37	-2.77	38,941
2026	5.35	6.42	-1.06	1.24	3.11	-1.86	6.59	9.52	-2.93	41,031
2027	5.35	6.49	-1.14	1.24	3.17	-1.93	6.59	9.66	-3.08	43,231
2028	5.34	6.55	-1.21	1.24	3.23	-1.99	6.58	9.78	-3.21	45,575
2029	5.33	6.60	-1.27	1.24	3.29	-2.05	6.57	9.89	-3.32	48,053
2030	5.33	6.65	-1.32	1.23	3.33	-2.10	6.56	9.98	-3.42	50,669
2031	5.32	6.68	-1.36	1.23	3.38	-2.15	6.55	10.06	-3.50	53,436
2032	5.31	6.70	-1.39	1.23	3.42	-2.19	6.54	10.12	-3.58	56,372
2033	5.31	6.72	-1.41	1.23	3.45	-2.22	6.53	10.17	-3.63	59,477
2034	5.30	6.72	-1.43	1.22	3.48	-2.25	6.52	10.20	-3.68	62,753
2035	5.29	6.72	-1.43	1.22	3.50	-2.28	6.51	10.22	-3.71	66,191
2036	5.28	6.71	-1.43	1.22	3.53	-2.31	6.50	10.24	-3.74	69,817
2037	5.27	6.69	-1.42	1.22	3.54	-2.33	6.49	10.24	-3.75	73,646
2038	5.26	6.67	-1.41	1.21	3.55	-2.34	6.47	10.23	-3.75	77,703
2039	5.25	6.65	-1.40	1.21	3.56	-2.35	6.46	10.21	-3.75	81,972
2040	5.24	6.63	-1.39	1.21	3.57	-2.36	6.45	10.20	-3.75	86,449
2041	5.23	6.61	-1.38	1.21	3.57	-2.36	6.44	10.18	-3.74	91,149
2042	5.22	6.59	-1.37	1.21	3.57	-2.36	6.43	10.16	-3.74	96,119
2043	5.21	6.58	-1.36	1.20	3.57	-2.37	6.41	10.14	-3.73	101,337
2044	5.20	6.56	-1.36	1.20	3.57	-2.37	6.40	10.13	-3.73	106,820
2045	5.19	6.55	-1.36	1.20	3.57	-2.37	6.39	10.12	-3.73	112,578
2046	5.18	6.55	-1.36	1.20	3.57	-2.37	6.38	10.12	-3.74	118,636
2047	5.17	6.54	-1.37	1.19	3.57	-2.38	6.37	10.11	-3.75	125,013
2048	5.16	6.54	-1.38	1.19	3.57	-2.38	6.36	10.11	-3.76	131,721
2049	5.16	6.55	-1.40	1.19	3.57	-2.38	6.34	10.12	-3.77	138,771
2050	5.15	6.56	-1.41	1.19	3.57	-2.38	6.33	10.13	-3.79	146,171
2051	5.14	6.57	-1.43	1.19	3.57	-2.39	6.32	10.14	-3.82	153,955
2052	5.13	6.59	-1.46	1.18	3.57	-2.39	6.31	10.16	-3.85	162,171
2053	5.12	6.61	-1.48	1.18	3.58	-2.40	6.30	10.18	-3.88	170,843
2054	5.11	6.63	-1.51	1.18	3.58	-2.40	6.29	10.21	-3.91	179,977
2055	5.11	6.65	-1.54	1.18	3.59	-2.41	6.28	10.23	-3.95	189,587
2056	5.10	6.67	-1.57	1.17	3.60	-2.43	6.27	10.27	-4.00	199,679
2057	5.09	6.68	-1.59	1.17	3.61	-2.44	6.26	10.30	-4.04	210,371
2058	5.08	6.70	-1.62	1.17	3.62	-2.45	6.25	10.32	-4.07	221,630
2059	5.07	6.71	-1.64	1.17	3.63	-2.46	6.24	10.35	-4.10	233,506
2060	5.07	6.73	-1.66	1.17	3.64	-2.48	6.23	10.37	-4.14	246,009
2061	5.06	6.74	-1.68	1.16	3.66	-2.49	6.22	10.40	-4.18	259,193
2062	5.05	6.75	-1.70	1.16	3.67	-2.51	6.21	10.42	-4.21	273,096
2063	5.04	6.75	-1.71	1.16	3.68	-2.52	6.20	10.43	-4.23	287,759
2064	5.03	6.76	-1.73	1.16	3.69	-2.53	6.19	10.45	-4.26	303,221
2065	5.02	6.76	-1.74	1.15	3.70	-2.55	6.18	10.46	-4.29	319,514

APPENDIX H.—STATEMENT OF ACTUARIAL OPINION

It is my opinion that (1) the techniques and methodology used herein to evaluate the financial and actuarial status of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds are generally accepted within the actuarial profession; and (2) the assumptions used and the resulting actuarial estimates are, in the aggregate, reasonable for the purpose of evaluating the financial and actuarial status of the trust funds, taking into consideration the experience and expectations of the program.



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